

The NATIONAL UNDERWRITER

Life Insurance Edition

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A WELL EQUIPPED AGENCY

Reference Work

An Agency should have at least one copy of all reputable Life Insurance Selling Services for reference purposes. A lawyer would not think of operating an office without Blackstone.

Attract Agents

Prospective Agents are more readily attracted to the better equipped offices.

Help Agents

Many Agents have been pulled out of a slump by a re-study of the fundamental principles of some part of the selling job. See the new "Problem Index", now furnished with the Salesmanship Section of The Diamond Life Bulletins, which will assist in diagnosing selling weaknesses.

Sales Talks

Tested sales talks for every "need" will be found in the seven volumes of accumulated Files. New canvasses appear in the Monthly Supplements as they come to our attention.

Sales Plans

Most of the workable Sales Plans will be found in these Files which we have been accumulating and revising for 16 years.

Tax and Business Insurance

Agents specializing in the higher branches of Life Underwriting, such as Income and Inheritance Taxes, both Federal and State; Estate and Gift Taxes; Wills and Business Insurance can find valuable help in referring to these special Sections. Our recently revised Section on "Sole Proprietorship Insurance" is the most comprehensive treatment of the subject yet published. The Section on "Partnership Insurance" is now under revision.

Training Booklets

General Agents and Managers have found our new "highlighting" booklets useful in training new men and in stimulating established Agents. These attractive pocket-size booklets cover the subjects of "Life Insurance Situations," "Prospecting," "The Approach," "Life Insurance Property" and "The Term Insurance Fallacy." Other booklets will follow from time to time.

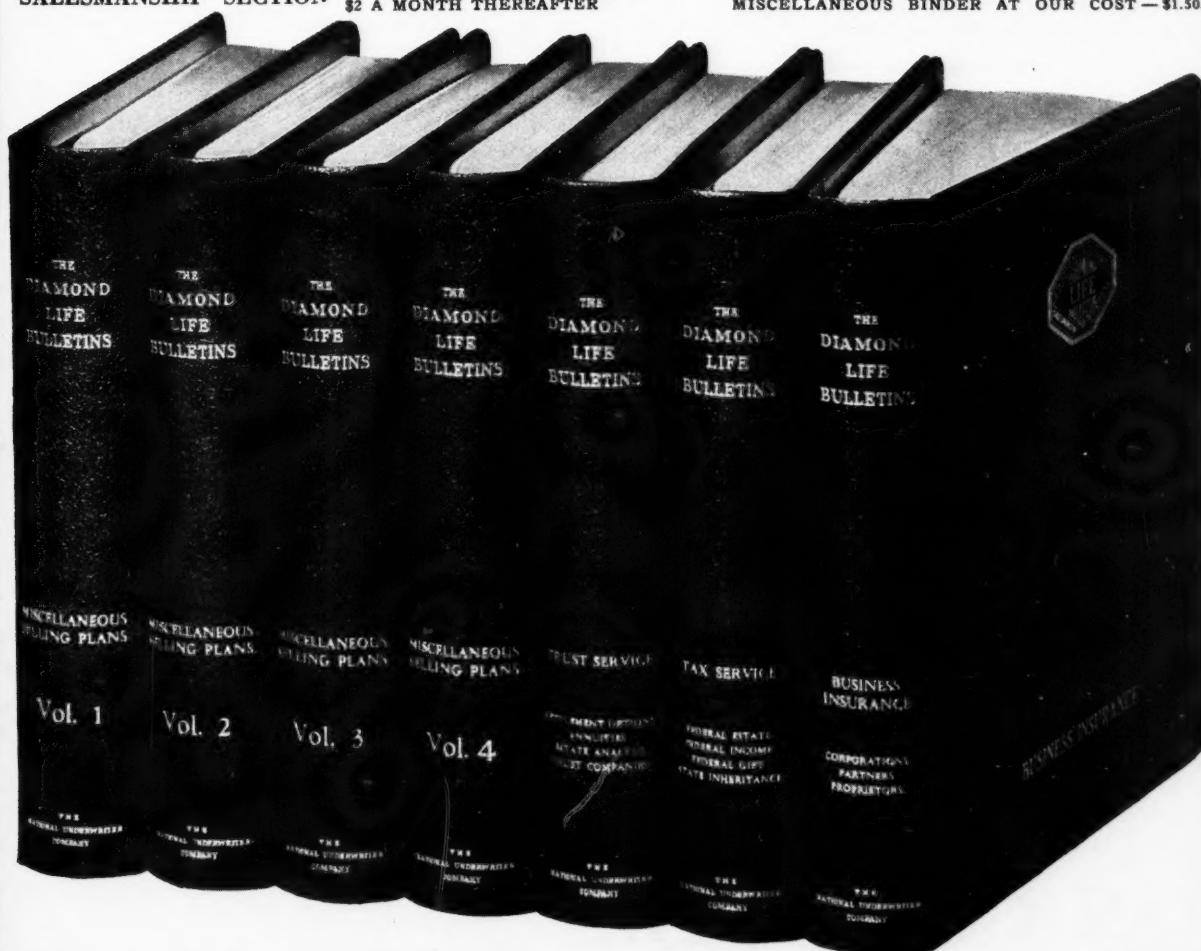
Tax Booklets

Our booklets "Life Insurance and Federal Tax Laws" and "Reducing Your Taxes" which have been published now for five consecutive years, are enjoying a wider use each year.

The Cost of Equipping an Agency is comparatively small when spread over a term of months.

SALESMANSHIP SECTION \$4 A MONTH THE FIRST YEAR
\$2 A MONTH THEREAFTER

PRESENT SUBSCRIBERS CAN SECURE A FOURTH MISCELLANEOUS BINDER AT OUR COST — \$1.50.



THE DIAMOND LIFE BULLETINS . . . 420 East Fourth Street . . . Cincinnati, Ohio
A NATIONAL UNDERWRITER PUBLICATION

FRIDAY, JANUARY 8, 1937

*Happiest
New Year...*

FOR UNION CENTRAL FIELD MEN

NO SALESMAN would ask a better set-up for 1937 than this:

A truly great product to sell; outstanding advertising support to help line up prospects; and general prosperity to put people in a buying mood.

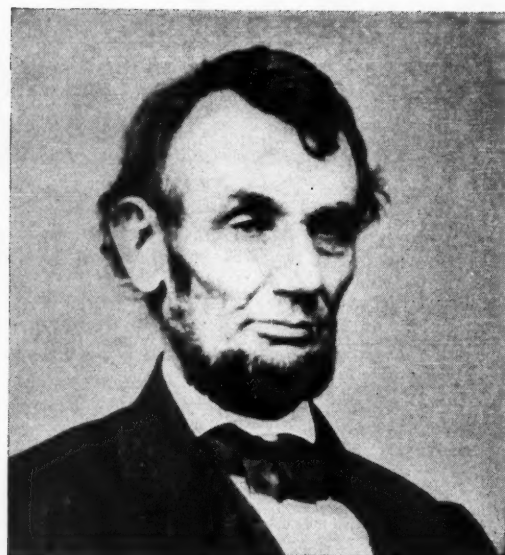
The third of these much-to-be-desired factors—general prosperity—will be every salesman's to use in 1937. But Union Central men can feel that they have a decided edge on product and advertising support.

The Multiple Protection Plan is one of the most salable contracts that ever left the actuaries' hands. Many Union Central men have sold several hundred thousand dollars of Multiple Protection alone. And nearly half of Union Central's 1936 insurance sales are accounted for by this one plan.

And Union Central's advertising, appearing month after month in the magazines your prospects and customers read, has demonstrated its power and effectiveness. All through 1937 it will be opening doors, getting interviews, building up sales and commissions for Union Central men.

The UNION CENTRAL Life Insurance Company

CINCINNATI, OHIO



**THE LINCOLN NATIONAL LIFE
PROVIDES ITS FIELD MEN WITH:**

A Complete Business Target

The classes of insurance risks are: men, preferred risks; men, substandard physically; men, substandard because of occupation; women, married and single; children down to one day of age.

The Lincoln National Life offers insurance protection to all five classes. LNL representatives can aim their sales efforts at this entire target.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

FORT WAYNE, INDIANA

18th in insurance in force of all life companies in the U. S.

ITS NAME INDICATES ITS CHARACTER

The NATIONAL
UNDERWRITER

Forty-First Year—No. 2

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JANUARY 8, 1937

\$3.00 Per Year, 15 Cents a Copy

N. Y. Life Winner
in Highest CourtSustained in Paying Smaller Divi-
dends to Those With Disa-
bility Benefits

COURT OF APPEALS ACTS

Adverse Decision Would Have Cost
Insurer \$15,000,000—Difference in
N. Y. Life and Other Contracts

The court of appeals—highest tribunal of New York state—has upheld the right of the New York Life to make a distinction in dividend apportionment between policyholders with contracts including the disability income provision and those without that benefit.

This case has attracted much attention, inasmuch as other companies may be guided by it. Possibly there may be a difference as between the New York Life and other companies, however. In the New York Life, disability benefits are included in the body of the contract, whereas in most other companies, the benefits are provided in the form of a rider.

Significance of Decision

Had the case gone against the New York Life, it would have had to pay out additional dividends of about \$15,000,000 to holders of 1,600,000 disability policies to equal the dividends paid to policyholders without the disability provision.

A. I. W. Rhine brought the action against the New York Life.

The insurance department of New York gave its approval and the appellate division upheld the company in a unanimous opinion.

There were two dissenters to the prevailing opinion of the court of appeals.

The plaintiff attempted to make much of the fact that the New York Life did not determine until 1931 to make a distinction between those having disability benefits and those without. The court also took cognizance of the fact that other companies still make other apportionment. The insurance law allows discretion in the manner in which apportionment may be made and so far as appears now, it may well be that both methods of apportionment lie within the range of that discretion.

The insurance law requires that the apportionment be made "equitably." If the company issued but one form of policy to a single group of policyholders of the same age who paid the same premium, such a plan would be equitable but any discrimination would be unfair, the court observed. The insurance law prohibits making any discrimination between individuals of the same class or of equal expectation of life in dividend apportionment or in any other terms and conditions of the policy.

(CONTINUED ON PAGE 10)

Preliminary Statements Show
Paid Business Gains

Early returns from life companies show satisfactory gains in new paid business in 1936. Many of the companies are showing gains in insurance in force while several years ago the minus mark was prevalent.

The Home Life of New York increased \$9,062,000 in insurance in force. The Guarantee Mutual Life gained

\$7,370,000 insurance in force. The Massachusetts Mutual Life had a \$21,500,000 increase, the Equitable Life of Iowa showed a \$7,370,000 gain and the Minnesota Mutual is ahead \$5,831,000 insurance in force.

The following preliminary figures in many cases are necessarily only approximate:

New Paid Business		Change in Ins. in Force	
1936	1935	1936	1935
American Bankers, Ill.....	5,004,343	6,130,504	+1,126,161
American Life, Mich.....	5,074,500	6,323,400	+1,248,900
Bankers Life, Neb.....	15,500,000	14,250,000	+1,250,000
Berkshire Life.....	16,879,556	17,448,590	+569,034
Business Men's Assur.....	19,708,786	22,284,013	+2,575,227
Capitol Life, Col.....	7,903,957	8,759,796	+855,839
Columbian Mutual, Tenn.....	3,050,000	3,007,000	-43,000
Confederation Life.....	47,506,513	47,730,122	+223,609
Conservative Life, Ind.....	5,237,188	4,772,620	-464,568
Equitable Life of Ia.....	46,500,000	46,794,000	+294,000
Expressmens Mut. L., N. Y.	1,971,000	1,642,000	-329,000
Farmers & Traders Life.....	4,925,000	5,495,857	+570,857
Federal Life, Ill.....	6,895,980	5,701,213	-1,194,767
Franklin Life, Ill.....	19,509,119	19,089,153	-419,966
General Mut. Life, O.....	1,223,286	705,475	-517,811
Geo. Washington Life.....	2,809,127	2,628,789	-180,338
Geo. Washington M. Wash.	808,950	808,950	0
Govt. Personnel, Tex.....	442,000	507,000	+65,000
Great American Life, Kan.	2,655,897	3,636,888	+980,991
Great Southern Life.....	34,098,465	32,031,791	-2,066,674
Great Natl. Life, Tex.....	3,187,092	2,864,129	-322,963
Great Western, Ia.....	3,625,000	3,757,000	+132,000
Guarantee Mut. Life, Neb.	18,630,657	15,340,170	-3,290,487
Guaranty Income, La.....	3,025,000	1,972,350	-1,052,650
Home Life, N. Y.....	35,162,003	34,491,390	-670,613
Home State Life, Okla.....	13,558,616	18,286,146	+4,727,530
Imperial Life, N. C.....	2,372,000	2,063,655	-308,345
Internatl. Travelers, Tex.	674,750	816,725	+141,975
Ins. Clerks Mut. Ben., N. Y.	104,000	131,000	+27,000
Lamar Life.....	9,751,132	10,078,186	+327,054
Liberty Natl. Life, Ala.....	33,938,574	32,260,471	-1,678,103
Massachusetts Mut. Life.....	141,000,000	131,788,540	-9,211,460
Midland Life, Mo.....	5,055,977	5,404,008	+348,031
Midwest Life, Neb.....	3,019,838	3,632,622	+612,784
Minn. Mutual Life.....	34,161,599	33,409,030	-752,569
Monarch Life.....	3,075,000	2,504,150	-570,850
Mutual Life of Can.....	41,500,000	41,140,637	-359,363
National Life, Vt.....	45,637,334	38,073,175	-7,564,159
North American Life, Can.	29,346,682	28,132,723	-1,213,959
Ohio Natl. Life.....	21,744,386	21,575,486	-168,900
Old Republic Credit.....	14,031,392	9,855,060	-4,176,332
Oregon Mutual Life.....	7,693,300	6,241,839	-1,451,461
Policyholders Natl., S. D.	3,618,000	3,499,056	-118,944
Pure Protection Life, O.....	238,345	721,420	+483,075
Pyramid Life, Ark.....	4,000,000	3,182,228	-817,772
Santa Fe National Life.....	1,850,000	649,000	-1,201,000
State Capital Life, N. C.....	1,558,956	1,558,956	0
State Life, Ind.....	15,995,464	15,457,074	-538,390
Teachers Ins. & Ann., N. Y.	3,300,000	3,397,090	+97,090
Union Mutual Life, Me.....	7,400,000	6,800,000	-600,000
Union National Life, Neb.	2,400,000	1,825,000	-575,000
Victory Life, Kan.....	2,309,250	1,903,500	-405,750
Washington National.....	39,779,386	39,084,806	-694,580
Wisconsin Life.....	2,248,780	1,809,493	-439,287

Began business Sept., 1936; new paid ord. \$250,000; Ind., \$1,308,956.

Includes reinsurance of Bank Savings Life.

Ordinary only.

Includes reinsurance of Buffalo Mutual Life.

Increase of \$50,000 to \$100,000.

Including \$11,430,181 taken over from the Capital Life.

Ordinary and industrial.

Examinations Committee to
Meet Jan. 15; Postponement

OKLAHOMA CITY, Jan. 7.—Because of inability of some members to attend the meeting of the sub-committee of the examinations committee of the National Association of Insurance Commissioners called by Chairman Jess G. Read for Jan. 4 in Chicago it was postponed until 10:30 a. m., Friday, Jan. 15, in the same city. The meeting has been converted into a conference for the entire examinations committee and notification to this effect has been sent to all committee members by Chairman Read, who is Oklahoma commissioner.

Legislative Body Named
by A. L. C. for the New Year

The state vice-presidents of the American Life Convention for 1937 elected at the Dallas meeting have been announced. This group serves as observers and contact men for the organization principally in legislative matters.

The list follows:

Alabama, Sam F. Clabaugh, president Protective Life; California, F. V. Keesling, vice-president West Coast Life; Colorado, Clarence J. Daly, president Capitol Life; Connecticut, Wil-

(CONTINUED ON PAGE 22)

Tell Northwestern
Mutual Life GainsProduction Up 5 Percent, "In
Force" Ahead \$73,000,000,
Agents Hear

EASTERN REGIONAL MEET

Increases Reported in Total Sales and
Lives Insured—\$18,000,000
Policy Loans Repaid

NEW YORK, Jan. 7.—The Northwestern Mutual Life's production for 1936 was about 5 percent ahead of 1935, compared with a loss of 4½ percent for the first 11 months of the year by companies reporting to the Life Insurance Sales Research Bureau, Grant L. Hill, director of agencies, revealed at the company's annual convention of agencies located in the New England, middle and south Atlantic states.

While figures for the last few weeks of the year are estimates, total paid business for the year was approximately \$267,000,000 on 63,500 lives, which is an increase of 2,300 lives. New premiums, excluding single premiums and annuities, are up about 7 percent over 1935 and about 6 percent over the lowest year, 1933.

Stresses "In Force" Gain

Mr. Hill stressed particularly the increase in insurance in force for 1936, which is considerably more than \$73,000,000 as contrasted with a gain of only \$492,000 for 1935. The company received \$18,000,000 in cash for the repayment of policy loans which is an increase of 11 percent over the amount received in 1935 for this purpose and 200 percent more than was received in 1933.

As an indication of the public's interest in retirement insurance, Mr. Hill pointed out that 12 percent of the 1936 business was on the special retirement endowment, a combination of insurance and retirement annuity. The same swing toward higher premium forms resulted in the writing of materially less family income insurance, but one-ninth of the company's total volume for 1936 was family income business. The average policy was \$13,300 or considerably more than three times the average policy on all plans issued. The ordinary life element of the family income contract averaged \$3,775 per life. Since the family income policy was introduced to Northwestern agents three years ago, nearly \$105,000,000 on 7,800 lives has been placed.

Term Off 10 Percent

Term insurance dropped 10 percent from the 1935 figures, which Mr. Hill called a healthy sign. In the year just closed term accounted for 22½ percent of new business as against 26 percent the year before.

In the relatively short time since the

(CONTINUED ON PAGE 10)

See Two Schools of Strategy in 1937 Plans for Development of Field Force

NEW YORK, Jan. 7.—With companies jockeying for the most favorable position in the big life insurance sweepstakes which everybody is convinced is scheduled for 1937, the line of cleavage between two general schools of strategy becomes increasingly distinct. One of these holds that the wise course is to put a good deal of home office money behind the general agent or manager to help him get the right kind of new men and to keep his agents operating on the most efficient basis. The other thinks that this sort of activity is unnecessary, since the general agent or manager is paid to run his own show, and that the extra expenses are not justified.

Quite naturally, the general agent or manager is likely to look with more favor upon the first type of activity, unless it becomes too exacting and tends to regiment him in a way which he considers too academic and theoretical.

Wants to Know Who Is Boss

The prospective general agent or manager who is looking for a connection is likely to take into account not only the agency-department head of the company which he is thinking of joining, but the attitude of the entire executive group. Very often it has turned out that no matter how willing an agency vice-president might be to give his full cooperation in measures desired by the field, he has been held back by other executives who overruled him.

Consequently, the man who is considering an agency contract is interested not only in who the agency vice-president is, but who has the final say, be he president, executive vice-president, or chairman of the board.

"Money and the Man"

"Money and the man" might be said to summarize the attitude of prospective general agents in making up their minds. They want a company which has the money to spend in agency operations and a man in control who is willing and authorized to spend it.

The money that is being spent is not being put out so freely as in the pre-depression days, but is being expended always with the thought of a profitable return on the investment. There is a realization that some of this work is not something that can be expected to bring an immediate return but which should pay out later on, more or less like the improvements which life companies make on their real estate.

Managerial Trend Seen

Some see in the current activity a trend toward the managerial rather than the general agency system. Certainly, there is much more control from the home office than there used to be, even in strictly general agency companies. Some of this control is due to the money the home offices are spending and some is due to general agents being indebted to their home offices. Whatever the reason, the home office agency department usually wants to exercise some measure of supervision which it would not have done under the more autonomous system generally prevailing some years ago.

As information has been circulated among general agents and managers, companies are being pigeonholed as to their respective attitudes in cooperating with their agencies, particularly along financial lines. This ranking of companies is of course mainly a matter of opinion but among informed agency heads these opinions do not vary a great deal.

As in all questions of judgment, there is considerable ground for genuine divergence in opinion. Of those compa-

nies who are going along on the existing basis without making an intensive drive in spending money and opening up new developments in the agency field, it can hardly be said that they are asleep at the switch. Their general agents and managers have been quite equal to the task of keeping them informed as to what has been going on in other quarters.

The question of salaries for agents is one which is getting a lot of consideration, not only from the companies which are experimenting with it, but from other companies as well.

Quality Plus Economy

The situation that faces the agencies arises mainly from the emphasis on quality agents and the urgency of keeping acquisition costs in line at the same time. The profitability of strict quality standards in recruiting and retaining agents does not show up in the first year. It is only as the business persists better than the poor quality production and as renewals keep coming in that the economy of confining operations to career men will become apparent. This means a considerable outlay in the way of agency expense upon which no immediate return can be expected.

Such an expense runs head on into the need for keeping acquisition cost down. The horns of the dilemma have been sharpened by the greatly increased and much more exact knowledge of the desirability of quality agents and quality business and the eventual high cost of business and agents acquired on the old hit or miss basis, while at the same time companies have learned from glaring examples during the depression that money for agency development must not be tossed around with the idea that a profitable return will inevitably follow but must be invested with the same care and deliberateness that a soundly run financial department conducts its operations.

While not yet accepted as axiomatic, there is a pronounced swing toward re-

cruiting younger men and making career agents out of them. It used to be considered that the most desirable age for recruiting agents was in their 30s or early 40s, on the assumption that these men would be seasoned, would know how to manage their own time, would have a considerable group of friends and acquaintances for a nucleus of prospects, and would probably have enough in the way of family obligations to keep them tending strictly to business.

The general difficulty with this theory is that it brought in a good many men who looked like excellent material but who failed or had very mediocre success in life insurance selling, often for the same reason that kept them from being successful enough in their former lines of activity to remain there.

Mature Men Hard to Get

There are, however, two general difficulties with recruiting from this older age group which are accentuated by current conditions. One is that after the depression such as the latest, there are very few likely prospective agents who have enough capital or can obtain it to carry themselves through the necessary preliminary period and fewer still who can be persuaded to risk their capital in such a venture. The other is that business in general has not, until recently, been taking on new men because of the depression.

Consequently, with recovery under way, men who have jobs know themselves to be valuable and can see excellent opportunities ahead in their own lines. Many of them have received substantial evidence of this in the way of salary increases and bonuses. The result has been that it is not only difficult to recruit men into the life insurance business but there have been quite a few cases of men leaving the business, even though making fair incomes, to accept better paying positions in their old line of work.

These considerations have made agency heads and home office agency

departments give a good deal of thought to the advisability of looking to young men just out of college as the principal source of recruits. The thought behind this is that if financing has to be done it might as well be spread around where it will yield the largest return. A new agent of mature years, if he is the kind who can be expected to make a success of the life insurance business, will probably require several times as much in the way of advances or salary as the young man.

On the other hand, the young man must be paid a salary or drawing account for a longer period than the mature man, assuming that both are eventually successful. The young man needs much more close and detailed supervision. This is a decided advantage to the manager or general agent who understands the young men and can lead them successfully. It is a serious drawback if he can not.

Financing Much Debated

What system should be used in paying salaries or advances is still an open question. Salaries have been used successfully by some offices and not by others. Perhaps the successful offices would have done about as well without the salary system. So far the salary basis has been solely used as a means of getting new men started, although in some cases the man is permitted to continue on a salary for many months. While it has been discussed academically, there has been little serious consideration of putting agents in the ordinary field on a salary basis, even a salary plus commission system.

It is of course possible that some permanent salary basis will develop out of present experiments with this type of compensation for new men. It may be that a type of agent will be evolved who will work better under the strict control of a manager, but who would become disorganized and lazy if given as much rope as the average ordinary agent has.

Owned Vs. Hired Capital

In a sense, companies should be able to sell insurance more cheaply by supplying the working capital for their agents instead of hiring it from the agents, which is in effect what they do when they ask a man to finance himself. The hitch, of course, is that unless an agent is a co-insurer of his own success by reason of having some of his own money at stake, there is danger that he will not be as energetic and resourceful as he might be.

Back Blevins for Job

The Chattanooga, Tenn., Association of Life Underwriters has asked Governor-elect Gordon Browning to appoint John W. Blevins of that city insurance commissioner. The association endorsed Mr. Blevins in a letter to the incoming governor. He was formerly vice-president and agency manager of the Interstate Life & Accident of Chattanooga and is well known among both life and accident and health men. He is now vice-president and treasurer of the Southern Flagstone company, Chattanooga.

It is reported that the fire and casualty underwriters of Chattanooga will also support Mr. Blevins.

Denver Class Under Way

DENVER, Jan. 7.—Nearly a score have signed up to attend classes organized by the local C. L. U. chapter for candidates beginning work on C. L. U. designations. The first meeting was held Tuesday evening.

Two Commissioners Are Replaced



J. C. KETCHAM



H. E. McCLAIN

J. C. Ketcham and H. E. McClain are two insurance commissioners who are retiring from office, with the respect of the business. Mr. Ketcham, whose home is in Hastings, Mich., has served for two years in his state. He is being replaced by C. E. Gauss, who preceded Mr. Ketcham in office.

Mr. McClain is the retiring insurance commissioner in Indiana. He has found a particularly warm place in the hearts of insurance men. He was formerly a local agent.

Pink Challenges Theory of Palmer

Criticises Suggestion Policies Without Surrender or Loan Value Be Issued

TALKS AT BINGHAMTON

New York Superintendent Gives Address at Anniversary Dinner of Security Mutual Life

Insurance Superintendent Pink of New York, in addressing the 50th anniversary dinner of the Security Mutual Life at Binghamton, N. Y., discussed the proposal made recently by Insurance Director Palmer of Illinois that life companies be permitted to issue policies without any or with limited cash loan and cash surrender values, so that less liquidity will be required and a higher rate of interest will be earned.

Mr. Pink did not give his final judgment on this proposal, but he did cite several objections. Mr. Palmer advanced the suggestion in his address before the recent annual meeting of the Life Presidents Association.

Mr. Pink recalled the address presenting the contrary side given by John R. Hardin, president of the Mutual Benefit, in 1932.

Conception Has Broadened

Gradually, Mr. Pink declared, the conception of life insurance has broadened from a mere gamble on death to complete protection and an all round financial policy for the family and the business of the policyholder. The question may be asked whether the business has gone too far afield, he said. It is true, he observed, that the generous provisions of policies are largely the result of competition. Through many years each company has tried to outdo the other and the gains in wider privileges have been consolidated by legislation.

The question is whether the business can retrace its steps and narrow the privileges.

The psychological effect must be taken into consideration, he declared. Policy loans and cash surrender values are emphasized in every sales talk. The public has become educated to expect the life companies to pay cash immediately upon demand. Mr. Pink expressed the belief it would be most difficult to woo them away from this feature unless the inducement is sufficiently strong to make it worth their while.

Lower Interest Basis

If a policy without the privileges of cash loans and cash surrenders could be sold for substantially less, it might have quite a sale. Mr. Palmer suggested that policies containing cash surrender privileges be written on the basis of a higher assumed interest rate so as to produce lower reserves, or that heavier compulsory surrender charges be imposed.

Mr. Pink said he doubts if these suggestions would solve the problem. The tendency now is to assume lower interest rates. Heavier surrender charges might help, but experience has demonstrated that when a policyholder wants to tap the future proceeds, a surrender charge, no matter how heavy, does not seriously deter him. It would merely cause expense and hardship.

Whether a company offers policy loans and cash surrender values or whether it doesn't, its investments to be safe and sound must be practically what they are today, according to Mr. Pink. The safest investments always fluctuate

(CONTINUED ON LAST PAGE)

Connecticut General Names F. H. Haviland Agency Head

CHICAGO MANAGER GETS POST

New Vice-president of Hartford Company Has Made Remarkable Record During the Depression Years

Announcement is made this week of the election of F. Hobert Haviland of Chicago as vice-president in charge of agencies of the Connecticut General Life. Mr. Haviland has been Connecticut General manager in Chicago since 1930 and has made an exceptional record during the depression years.

This appointment recalls the comment made a few days ago by President M. A. Linton of the Provident Mutual Life that the companies now find it useful to have at the head of their agency department men who have successfully managed general agencies during the depression. He made that comment in referring to the appointment of W. K. Wise of Reading, Pa., as vice-president and agency manager of the Provident Mutual. Mr. Wise made such a record. Another recent appointment of this type of man was that of A. E. Patterson, formerly Chicago general agent of the Penn Mutual, as vice-president and head of the agency department of that company.

Effective Agency Operator

Mr. Haviland is an unusually effective agency operator. He is business-like, has assurance and is able to win men to him and get the best out of them.

Mr. Haviland is a native of Illinois and graduated from Northwestern University in 1913. For a time he served as advertising manager of the Evanston "News-Index" of Evanston, Ill. Later he was in the wholesale dry goods business for himself in Chicago for four years. He was a first lieutenant during the war. In 1922 he became eastern manager for the Russell Electric Company with headquarters in New York. Mr. Haviland entered the life insurance business with the Equitable Life of New York in 1926. After engaging

To Home Office



F. H. HAVILAND

F. H. Haviland, who has just been appointed vice-president in charge of agencies of the Connecticut General Life, has been for the past six years manager for that company in Chicago and has made an unusually successful record.

ness for himself in Chicago for four years. He was a first lieutenant during the war. In 1922 he became eastern manager for the Russell Electric Company with headquarters in New York. Mr. Haviland entered the life insurance business with the Equitable Life of New York in 1926. After engaging

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New Officials Now in Three States

Gauss Again Michigan Commissioner; Marvin Hall Texas Fire Head

NEWBAUER IN INDIANA

Roy L. Davis Becomes Assistant Insurance Director in Illinois—Ketcham, McClain Replaced

New insurance commissioners have been appointed in Michigan and Indiana. A new fire insurance commissioner has been appointed in Texas and Roy L. Davis has been named assistant insurance director in Illinois. C. E. Gauss, former commissioner, is returned to office in Michigan. G. H. Newbauer is the new official in Indiana and Marvin Hall is the new Texas commissioner.

C. E. Gauss of Marshall, who served as Michigan commissioner for the two-year period ending Jan. 1, 1935, has been reappointed to that position by Governor Murphy. He succeeds J. C. Ketcham.

Mr. Gauss is well regarded by the insurance interests. He took charge of the department without previous knowledge of the business, but he exhibited an attitude of fairness and in the two years that he served developed a good knowledge of insurance. He was in charge of the department during the bank holiday period of 1933 when important decisions had to be made.

Mr. Gauss has been serving as postmaster in Marshall. He was connected with a wholesale drug house for some time and was president of a bank in Marshall. He has been interested in a number of business enterprises.

Mr. Gauss' first term was ended by defeat in the fall of 1934 of the then Democratic administration and he was replaced by Mr. Ketcham, a former congressman, business man and banker, and prominent rural organization worker. Mr. Ketcham has expected his replacement since Governor Fitzgerald was defeated for reelection. His regime has been most creditable and he has made many friends in the insurance fraternity.

After it was evident that there would be a change in the department head, following the Democratic landslide, a group of insurance men organized in behalf of Mr. Gauss and brought as much influence as possible to bear in his behalf. Mr. Gauss himself stayed aloof from the endeavor. He had refused to play politics with the personnel of the department when he inherited it from the former commissioner, the late C. D. Livingston, and had created certain political antagonisms within his party because of his attitude. He won the general respect of all classes of insurance men, however.

CHANGE IN INDIANA

INDIANAPOLIS, Jan. 7.—H. E. McClain has resigned as Indiana commissioner, effective Jan. 11, but has agreed to remain in charge of the office until Feb. 1 when George H. Newbauer will succeed him. Mr. Newbauer has been in the banking and insurance business in Hartford City for some years and is favorably regarded. He is 54 years old, a native of Hartford City, and was in

(CONTINUED ON LAST PAGE)

The Five-Year Gap

One of our Denver representatives, well knowing that age 65 seems to the young man to be an infinity distant, but that retirement at 60 begins to sound just a little reasonable to the live-forever spirit of the young, is doing this:—

The Social Security income at 65 provides the contact, and the young man's dissatisfaction with that age, he wishing it were 60, supplies the sales approach. The offer is \$50 a month for 5 years, salary continuance idea, running from age 60 to age 65, when the Government starts payment of the Social Security income. The sales approach being related to an established financial fact in the prospect's life, namely, Social Security at 65, the contact point already exists, and need not be manufactured, consequently sales are more numerous because more easily made. The finishing touch is the addition of \$500 in cash at age 60, for a vacation or any other thing which a man suddenly becoming free might desire.

And, of course, such a policy may be used to start a comprehensive life insurance program, to be builded during the years.

THE PENN MUTUAL LIFE INSURANCE CO.
WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

High Lapse Rate Criticised in Utah Legislative Report

URGE CORRECTIVE MEASURES

Suggest Possibilities of Tax Based on
Persistency Rate—Commissioner
Smith Seeks Power

SALT LAKE CITY, Jan. 7.—The insurance business is likely to receive a great deal of attention after the Utah legislature convenes Jan. 11.

The "committee of nine," appointed two years ago to make recommendations to the 1937 legislature, has issued a lengthy report on life insurance.

The committee drew attention to what it called the heavy lapsation of policies, asserting that there is a tremendous loss which the committee believes could be reduced by more strict regulation. It also contended that many people, especially those in the low-income class, are oversold on insurance. "In Utah," the report said, "where there is an average annual collection of insurance premiums amounting to approximately \$8,225,000 per year and an average payment of \$2,225,000 by the companies to policyholders, there is an apparent difference of approximately \$6,000,000 which constitutes, in a major part, a financial loss to the public and one which can be reduced. It can be reduced conceivably by a reduction in the lapsation of life insurance policies."

Corrective Measures

As corrective measures the committee recommended the following: 1. That life insurance underwriters be licensed only after having passed successfully a professional examination prepared and conducted by the state insurance commissioner; 2. Inasmuch as the employment of settlement options in the settlement of insurance proceeds has been determined by the report to be a predominant factor contributing to the success of life insurance and to the persistency of life insurance contracts, that there be provided by statute the necessity of all life insurance companies operating in Utah to make provisions within their application forms for the immediate election of some mode of optional settlement by the prospective policyholder. 3. That the legislature increase the appropriation to the insurance commission so that it can administer the insurance laws more effectively. 4. That the schools of the state shall be required to provide courses of instruction in all forms of insurance. The dissemination of information on insurance is of primary importance to the intelligent application of insurance to our economic and financial lives.

Considered Tax on Lapses

5. That the legislature, on the basis of wide difference in the lapsation ratios of life insurance policies as between companies, immediately investigate the possibility of taxing life insurance companies according to the ratio of lapsation. That the legislature investigate the possibility of adapting the Massachusetts law on the investment of life insurance contracts to Utah.

It was stated in the report that the committee found that three-fifths of the people of the state are life insurance policyholders, and that on an average more than 84 percent of the yearly business is allowed to lapse. The lapsed business is 14.48 percent of the total insurance in force. An economist of the University of Utah was associated with the committee in the study which resulted in the above report. A member of the committee stated that many thousands of cases were examined. A bill has been drawn up to submit to the legislature, but its provisions are not available.

Commissioner Smith is sponsoring legislation strengthening the arm of his office. The commissioner wants (1) power to refuse or approve rates of any insurance carrier operating in Utah; (2) to require higher standards of agents

Executive Agency Head of the Two Companies



ROY TUCHBREITER

Roy Tuchbreiter, vice-president and agency head of the Continental Casualty of Chicago, has now become the executive agency head of the affiliated Continental Assurance, as well. Mr. Tuchbreiter has been a vice-president of the Continental Assurance, but heretofore has devoted practically all of his attention to the casualty company. Mr. Tuchbreiter thus is the executive agency head of the entire organization.

This change comes about following the resignation recently of Glenn F. Claypool as vice-president and general manager of the Continental Assurance.

Mr. Tuchbreiter started in the business as office boy with the late Pere L. Weickas, who was Chicago general agent for the old Pennsylvania Casualty. He then went with the Fidelity & Deposit in the casualty end and his next move was with the London & Lancashire Indemnity as special agent. Later he was put in charge of underwriting in the western territory.

In 1915 he made his connection with the Continental Casualty and was placed in charge of its accident and health department in New York. He went to the head office in Chicago later as assistant superintendent of agencies. After the war he became superintendent of agents of the Continental Casualty. He was later elected a vice-president of the Continental Casualty and the Continental Assurance as well.

and solicitors; (3) to bar any unlicensed company from advertising or soliciting insurance in Utah, and (4) jurisdiction over agents of fraternal insurance companies.

Arkansas Deputy Resigns

LITTLE ROCK, ARK., Jan. 7.—J. C. Stevens, deputy insurance commissioner and fire marshal for the past six months, has resigned and will resume the practice of law in Little Rock.

Wants Moratorium Extended

ST. PAUL, Jan. 7.—Governor Benson of Minnesota has recommended extension of the mortgage moratorium law for two years. "Unless the law is continued in effect," he said, "we again will witness a great increase in the number of foreclosures and consequent loss of homes and farms to their rightful owners."

Mrs. J. F. Conrad of St. Louis, mother of F. G. Bray, supervisor of the E. B. Thurman general agency of the New England Mutual Life, Chicago, died after a brief attack of pneumonia. Mr. Thurman accompanied Mr. Bray to St. Louis for the funeral services.

Substantial Gains Reported By Northwestern National

ASSETS INCREASE 5 MILLION

Insurance in Force Increases 16 Million Bringing Total Up to 394 Million

MINNEAPOLIS, Jan. 7.—Insurance in force showed a gain of \$16,100,410 during 1936, to a total of \$394,639,015 at the close of business Dec. 31, while admitted assets gained \$5,317,527, to a total of \$60,047,054, according to the year-end statement of Northwestern National Life of Minneapolis which always prides itself in being one of the first companies to issue its annual report. A total of \$70,127,325 in paid-for new business was sold during the year. Premium income increased from \$10,423,828 in 1935 to \$10,801,160 in 1936; total income expanded from \$13,963,871 to \$14,443,302, this report shows.

Substantially improved collections and further gains in the first-year renewal ratio were features of 1936, and contributed to the company's showing, according to O. J. Arnold, president. The social security act will greatly increase the urge and the market for life insurance, in Mr. Arnold's opinion, and makes the future still brighter for insurance sales.

Increase Utility Holdings

The most noteworthy change in the company's investment portfolio occurred in its holdings of public utility securities, which have more than doubled in the past year, increasing from \$3,760,648 as of the end of 1935, to \$9,488,544 as of Dec. 31.

At the same time holdings of U. S. government securities and fully guaranteed bonds of government agencies increased from \$15,664,973 to \$16,961,372. First mortgage loans decreased from \$5,210,288 a year ago, to \$4,726,046 at the end of 1936. The greatest reduction in this item occurred in holdings of farm mortgages.

Real estate owned, including the home office building, stood at \$2,788,626 compared with \$2,678,146 at the end of 1935, an increase of \$110,480, but a decrease from 4.9 percent of total assets to 4.7 percent. A substantial increase is reported by the company in the number of farms sold under option during 1936, but still included under real estate owned until the transactions are completed.

Able to Invest Cash

Reduction of the cash item from \$3,909,652 a year ago to \$2,737,350 as of Dec. 31, 1936, was considered gratifying, and a reflection of a somewhat improved investment market.

Contingency reserves and surplus, excluding asset fluctuation reserves, increased during the year from \$5,069,579 to \$5,441,364 as of Dec. 31.

"The idea of social security has long been strongest in America, which with 7 percent of the world's population now holds 70 percent of the world's life insurance," said Mr. Arnold, in commenting on the future outlook for the life insurance business.

Comments on Social Security

"The new social security program of the federal government will not only provide a more universal back-log against the disability of old age," Mr. Arnold stated, "but what is even more important, it will suggest to millions of ambitious men the desirability of building still more adequately for the future. It will also suggest the urgent necessity of protecting wives and children against the death of their wage-earners."

"The government insurance of American enlisted men during the world war proved a tremendous stimulus to the sale of life insurance. A similar effect

Swapping Gas for Air Cover in D. I. Might Be Poor Trade

FORMER IS GREATER RISK

Asphyxiation Still About 10 Times Scheduled Flying Hazard, Despite Air Travel Increase

NEW YORK, Jan. 7.—Dropping an old double indemnity clause in order to substitute an up-to-date form which covers death on scheduled airlines which the older forms did not may result in losing coverage on a hazard which is many times more prevalent than the aviation danger.

This is the gas hazard, which rough calculations indicate is about 10 times more likely to happen to the average ordinary policyholder than dying as the result of scheduled airline travel unless, of course, the applicant intends to do considerably more than the average amount of scheduled flying.

Why Gas Hazard Was Dropped

Cutting out the gas coverage in recent double indemnity forms was not due to a desire to restrict coverage but to the fact that companies found themselves paying many claims which they were morally certain were suicides but which they could not prove in court.

As the popularity of air travel spreads the importance of the aviation hazard as compared with that of carbon monoxide and illuminating gases will tend to increase. In fact, the rapid rise in air travel in the last few years, together with the relatively small and widely fluctuating number of deaths in scheduled air transport makes it difficult to say exactly how much more important the gas hazard is, but it is certain that it still greatly overshadows aviation, as far as the average policyholder is concerned.

Ask Bay State Interest Limit

A bill to limit interest on mortgage loans on real estate in Massachusetts to a maximum of 4 percent for banks and insurance companies has been filed in the Massachusetts legislature this week by Representative Timothy J. Murphy of Dorchester. The action is interesting as following the action two years ago of Governor James M. Curley in getting insurance companies and savings banks to reduce mortgage interest rates on dwellings to 5½ percent as an emergency measure.

Frederick Bruchholz, New York Life general agent in Chicago, is attending the agency directors convention of his company in St. Petersburg, Fla. He will return Jan. 14.

will be produced, I believe, by the operations of the social security act."

PAN-AMERICAN REPORT

The Pan-American Life reports \$31,650,477 in assets, a gain of \$2,000,000. It now has \$932,824 cash, \$8,027,666 first mortgage loans on real estate, \$11,023,012 in United States and other bonds, \$5,120,074 in policy loans and liens, \$2,056,586 in real estate. Policy reserves total \$28,545,916, while capital and surplus are \$1,762,835. The market value of securities is \$700,000 more than the book value.

KENTUCKY HOME INCREASE

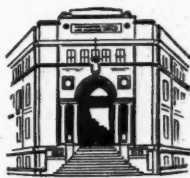
The Kentucky Home Mutual Life showed an increase in 1936. It now has 100 producing agents compared to 25 the year before. Nearly \$5,000,000 new business was written in 1936, compared to \$500,000 the year before. Approximately \$50,000,000 is in force.

SOCIAL SECURITY

The past . . . the present . . . the future

Social security, which has recently come strongly into the public mind, is one of the oldest of human ideals. From earliest times, man stored up in good years against the coming of bad years. In modern times he is using life insurance as a triple measure of social security — a backlog against emergencies, a means of saving toward old age, and a protection to his wife and children against the consequences of his death.

The new social security program of the Federal Government will perform an invaluable function. It will provide a more



*The Doorway
to Opportunity.*

universal backlog against the disability of old age.

Still more important, it will suggest to ambitious men, not content to go toward old age without provision for more than the standard of living available to all, the necessity of building more

adequately for the future, and the even more urgent necessity of protecting wives and children. The result will, we believe, be a sharp increase in the use of life insurance. Again, NWNL offers the first published life insurance company statement of the year, based on final, complete figures.

J. Amundson
President

52nd ANNUAL STATEMENT OF

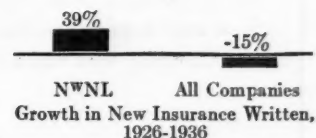
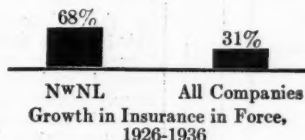
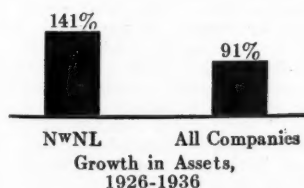
Northwestern National Life Insurance Company of Minneapolis

RESOURCES		December 31, 1936	LIABILITIES	
Cash	(4.6%)	\$ 2,737,350	Reserve on Policies	\$46,454,895
U. S. Gov't Securities	(21.5%)	12,927,034	Death Claims Due and Unpaid	None
Bonds Fully Guaranteed by the U. S.	(6.7%)	4,034,338	Claims Reported but Proofs Not Received	179,670
Canadian Gov't Securities	(.8%)	472,089	Reserve for Claims Unreported	75,000
Other Bonds:			Present Value of Death, Disability, and other Claims Payable in Installments	2,804,823
State, County, and Municipal	(6.2%)	3,731,680	Premiums and Interest Paid in Advance	347,095
Railroad Mortgage Bonds	(7.8%)	4,693,631	Reserve for Taxes Payable in 1937	326,785
Railroad Equipments	(3.3%)	1,992,509	Profits for Distribution to Policyholders	2,080,937
Public Utility	(15.8%)	9,488,554	Asset Fluctuation and other Reserves	2,336,485
Industrial	(.7%)	417,872	Unassigned Funds, Contingency Reserves and Capital:	
Miscellaneous	(.5%)	309,395	Miscellaneous Contingency Reserves	\$1,229,747
First Mortgage Loans:			General Contingency Reserve	1,000,000
Farm Loans	(1.9%)	1,159,166	Surplus to Policyholders (Including \$1,100,000 Paid-in Capital)	3,211,617
City Loans	(6.0%)	3,566,880		5,441,364
Policy Loans	(15.3%)	9,203,906		
Real Estate (Including Home Office Bldg.)	(4.7%)	2,788,626		
Real Estate Sold Under Contract	(.1%)	79,264		
Premiums, Due and Deferred	(3.0%)	1,795,785		
Interest Due and Accrued and Other Assets	(1.1%)	448,975		
TOTAL	(100%)	\$60,047,054	TOTAL	\$60,047,054

Insurance in Force \$394,639,015

THE TEN YEAR RECORD

1926 - 1936



The record of Northwestern National Life of Minneapolis is outstanding, even when compared with the fine showing of all life insurance companies. In 1935—the last year for which comparative figures are available—it ranked 7th in gain, by amount, in ordinary insurance in force, although it was 33rd in size among the 300-odd life companies in

the U. S. Yet its growth is sound and stable; during the last decade, while its insurance in force was increasing 68% and its assets 141%, its surplus to policyholders and contingency reserves increased 172%. The Company in its operations is universally regarded as typical of the soundest, most progressive life insurance practice.

Travelers' 1936 Income Was Largest in Its History

PREMIUMS \$7,462,000 HIGHER

Gains Shown in the Life, Workmen's Compensation, Personal Accident and Fire Lines

The largest annual premium income and the largest total income from premiums and investments in the 73 years history of the Travelers companies were announced by President Zacher. Premiums for 1936 were over \$192,257,000, a gain over the preceding year of \$7,462,000. Total income for last year was \$231,229,000, increase of \$12,274,000.

There was a 16 percent growth in compensation. There was substantial growth in accident and life business and the increase in property values in the country was shown in the increase in fire insurance premiums.

The total of new paid life insurance was \$607,500,000, as compared to \$551,500,000 the preceding year. The new life business included \$332,200,000 of increases and additions under group life insurance policies covering employees in business organizations throughout the country.

The premiums by lines for 1936 were: Life \$111,869,000; accident and health

\$14,704,000; liability \$8,045,000; automobile casualty \$22,601,000; compensation \$19,116,000; burglary \$2,274,000; boiler and machinery \$1,120,000; plate glass \$701,000; automobile fire \$2,224,000; general fire \$8,691,000; inland marine \$902,000.

Appeals Arkansas Judgment

The United Mutual Life of Indianapolis will appeal to the Arkansas supreme court a judgment of \$5,566, representing 2½ percent tax on payments collected in the state since 1931. The judgment was returned by Chancellor F. H. Dodge.

The company alleges it is entitled to exemption as a fraternal organization, while the chancellor's ruling was in line with other decisions made in the state's effort to collect about \$1,800,000 from fraternal organizations. The United Mutual keeps its old fraternal business in a separate class. It is now an old line company.

Patterson in His New Post

PHILADELPHIA, Jan. 7. — Surrounded by floral gifts, Alexander E. Patterson, the Penn Mutual Life's newly elected vice-president in charge of agency affairs, assumed his new duties on Monday of this week. Throughout the day he was the recipient of congratulations and greetings of welcome from the official staff and department heads and general agents and a host of other friends kept wire and phone busy.

Group Carriers View 1937 With Optimism; '36 a Record

MARKS COVER'S SILVER YEAR

All-time High Reached Last Year With 12 Billion Dollars on 7,600,000 Employees in Force

Group insurance in 1936 reached the highest peak in its history, according to President T. I. Parkinson of the Equitable of New York, which inaugurated this plan 25 years ago. More employees are now protected by various group coverages and for a greater volume than ever before.

"With the increasing interest in employee protection shown by employers throughout 1936, especially toward the end of the year," Mr. Parkinson said, "it is anticipated that with the upward trend in business and industry 1937 will greatly surpass the remarkable record of the past year."

Although accurate figures are not available for all group-writing companies, a conservative estimate concerning group life, usually regarded as a measuring-rod for group protection in general, placed total volume in force in the United States and Canada at the end of 1936 at \$12,000,000,000, insuring 7,600,000 employees for an average of about one year's salary or wages. These figures represent a gain during the year of \$900,000,000 in insurance in force and of 600,000 in number of employees covered.

The Equitable initiated the group cover in 1911. There are now 100 life companies writing it.

Achieves New High

"In commemorating the silver jubilee year of group insurance," President Parkinson said, "the Equitable achieved a new high record for total volume in business written in the five group coverages. A new mark was also set for total group premium income, the 1936 premium receipts being nearly \$36,000,000, exceeding the previous high record, made in 1935, by more than \$6,000,000. It is believed that other group-writing companies have likewise made impressive gains.

"During 1936 the Equitable passed the million mark in the number of lives insured under group life policies. At the year's end this number had exceeded 1,100,000, protected by approximately \$1,700,000,000, a gain of \$170,000,000 during the year.

"Proportionate increases were registered in the other group coverages, all of which reached new high records in volume and in employees protected. These coverages include group accident and health, group accidental death and dismemberment, and group hospitalization benefits, the latest addition to the family."

Matching the gain in volume in group life was that in group annuities, it was reported. An increasing interest in old-age benefits for employees is said to have been shown by employers, influenced by the relatively small annuities provided in the federal social security act. Consequently, many employers have arranged with insurance companies for group annuity plans to supplement the federal benefits, and have generally matched dollar for dollar the contributions of employees toward the purchase of annuities based on future years of service.

Employees Favor Group Plan

The employees affected, according to Equitable reports, have expressed their attitude toward old-age benefits by subscribing to these plans virtually unanimously, as they have generally done for other group coverages. During 1936 about 50,000 employees were added to the Equitable's group annuity rolls.

The Equitable's figures for group

Silver Anniversary



STRATFORD LEE MORTON

Stratford Lee Morton, general agent for the Connecticut Mutual Life in St. Louis, is celebrating the 25th anniversary of his appointment to that position. He has been connected with the Connecticut Mutual since May 17, 1911, when he answered a want "ad" placed in a local newspaper by the general agent. At the time of his appointment as general agent in 1912 he was one of the youngest in the country.

premium income in 1936, in comparison with 1935, were given as follows.

Premium Income	1935	1936
Life	\$19,243,244	\$21,335,803
Acci.-health	2,226,244	2,648,404
Hospitalization	41,585	82,703
Accidental death-dismemberment	137,115	226,352
Annuities	8,149,872	11,599,261

Total Prem. Inc. .. \$29,798,060 \$35,892,523

Loses Right to Renewal by Switching Policyholders

The Illinois appellate court, first district, has affirmed judgment of the lower court in favor of the Federal Life and against one of its former agents, Pankey, who undertook to enforce payment of renewal commission.

The Federal Life admitted that if Pankey had not violated his contract, he would be entitled to certain renewal commissions after the termination of his contract. Federal contended, however, that Pankey forfeited his right to receive further commissions because of his violation of the terms of the contract, by switching and attempting to switch policyholders in the Federal Life to another company. According to the court, Pankey did not seriously contend that either by himself or by his agent, Wesley, he did not seek to switch policyholders. His claim seems to be that, by reason of the words used in the letter from the Federal Life to him dated March 4, 1932: "It is agreeable to us that your agency contract with the Federal terminate as of April 30, 1932," contractual relation between the parties was terminated and that, therefore, he is not bound by the provision of the contract with reference to the switching of policies.

The higher court held that the jury were justified in concluding that Pankey had attempted to switch policyholders. In doing so he violated his contract and therefore cannot recover.

Claim Men Hear Powell

John M. Powell, president of the Loyal Protective and Loyal Life, will address the meeting of the Boston Life & Accident Claim Association Friday evening of this week.

★ MODERN LIFE INSURANCE SINCE 1845 ★



STATISTIC

A figure sleuth has discovered that the average length of service of Mutual Benefit men (excluding new men) who attended the 1936 Agents' Convention was something over thirteen years. An analysis of the "composite man" of this group shows that he began his service shortly after the post war depression, made "good money" during the boom, had to scratch like the dickens for his commissions during the Great Depression, and, still working hard, is getting better results for his efforts in 1936. His thirteen-year service record is at once a tribute to his ability and industry and to the Company with which he is associated.

The
MUTUAL BENEFIT

LIFE INSURANCE COMPANY • NEWARK • N • J •

See Completion of Sale of Atlantic Life This Week

DEPOSIT OVER 50% OF STOCK

R. H. Smith of Boston Is Head of Concern Making Purchase—Daniel Maggin Is Intermediary

NEW YORK, Jan. 7.—Daniel Maggin, who is acting as intermediary in the sale of the Atlantic Life to the Bankers National Investing Corporation, announced that on Wednesday 52 percent of the stock had been deposited in accordance with the agreement. He said he expects to deal to be "cleaned up" by the end of this week. Mr. Maggin was formerly a vice-president of the old Lloyds Casualty.

The investment trust is a Delaware corporation. R. H. Smith of Boston is president. He is managing partner of the law firm of Hale & Dorr.

WILL BUY ENTIRE ISSUE

RICHMOND, VA., Jan. 7.—Bankers National is an investment trust with assets reported to be in excess of \$100,000,000. It has offered to purchase the entire issue of 10,000 shares of Atlantic Life of a par value of \$50 per share. It has deposited funds with the First & Merchants National Bank of Richmond to pay for all of the outstanding stock at \$175 per share.

The corporation, according to a letter sent all stockholders embodying the offer, is not obligated to purchase any of the shares unless the minimum amount of 6,675 shares is ready for delivery on or before Jan. 25, 1937. Among the holders of large blocks of the stock who have already agreed to sell are Angus O. Swink, president, and E. A. Saunders, member of the board and formerly board chairman. Those in a position to know say that there is no doubt but that the sale of the company will be consummated. Shares deposited up to Wednesday totaled 5,560.

Assurances have been given that the company will be operated largely under present policies and that no change in the location of the home office or personnel is contemplated. Although the Bankers National Investing Corporation is chartered under the laws of Delaware, its headquarters are said to be in Boston. R. Heber Smith of Boston, the president, is quoted in dispatches from that city as saying that it is the intention of the corporation to "go ahead and build up" the Atlantic Life. "We think we have the necessary resources and skill to develop it," he was also quoted as saying. It was reported that the corporation in making the offer to acquire the Atlantic Life was acting for a large life company in the north but the report was not confirmed.

Stock deposited with the Richmond bank must be assigned to Edmund A. Saunders, Thomas W. Purcell and Andrew D. Christian. Mr. Christian is general counsel for the Atlantic, and Mr. Purcell is vice-president of the bank. Mr. Saunders was president of the Atlantic for a time before control was acquired by Mr. Swink and associates. For many years Mr. Swink was head of the company's Atlantic agency in Richmond.

Mr. Maggin stated that the Bankers National Investing Company is buying the stock as an investment and plans to put more money into the company and increase its size. A letter of transmittal to be employed by stockholders who decide to sell their shares sets out that from the price of \$175 a share, there is to be deducted \$4.37½ per share of commissions payable to the procurer and original holders of the purchase agreement, federal transfer tax stamps and other expenses, but "no compensation is to be paid to the assignees presently holding the purchase agreement."

Those holding the purchase agreement assigned that instrument to three

directors, E. A. Saunders, T. W. Purcell and A. D. Christian.

"In order to make the purchase agreements binding on the purchaser," a paragraph in the letter of transmittal states, "530 shares have already been deposited, and 2,470 additional shares must be deposited on or before Jan. 5 and 2,100 additional shares must be deposited on or before Jan. 15 and 1,575 additional shares before Jan. 25."

Atlantic Life was organized in 1900 as the South Atlantic Life. In 1912 the present name was assumed.

As of Dec. 31, 1935, assets amounted to \$25,702,377 including real estate \$4,940,736, mortgages \$5,678,236; bonds \$5,415,002, cash \$1,121,754.

Life insurance reserve was \$21,829,699; capital \$500,000 and net surplus \$511,450. The total income during 1935 was \$5,153,259 and disbursements \$4,108,606.

Insurance written was \$14,298,301 and insurance in force \$134,205,120.

BOSTON PRINCIPAL IS MUM

BOSTON, Jan. 7.—Reginald H. Smith of Boston was in New York Tuesday and in Columbus, O., Wednesday. He will be back in Boston Friday. His secretary said he and the Bankers National Investing Corporation are handling the Atlantic Life deal but can give out no information.

THE WEEK IN INSURANCE

Court of appeals of New York upholds the **New York Life** in making a distinction in dividend apportionment between holders of policies with disability benefits and those without. **Page 1**

Northwestern Mutual agents at regional convention in New York City hear of gains in production and insurance in force. **Page 1**

Travelers companies in 1936 enjoyed the largest premium and total income in their history. **Page 9**

New insurance commissioners are appointed in Michigan, Indiana and Texas and a new assistant insurance director is appointed in Illinois. **Page 3**

F. H. Haviland, Chicago general agent, elected president and head of agency department of Connecticut General Life. **Page 3**

Consummation of sale of **Atlantic Life** to investment syndicate expected this week. **Page 7**

Agents should adapt sales technique to **fundamental changes in public's outlook**, M. J. Cleary, president, Northwestern Mutual, tells agents. **Page 23**

Superintendent Pink of New York, in addressing the 50th anniversary meeting of Security Mutual Life at Binghamton,

takes issue with the proposal of Insurance Director Palmer of Illinois that privilege be granted to issue policies without policy loan or cash surrender values. **Page 3**

Northwestern National reports substantial increases in annual statement. **Page 4**

Group-writing companies have bright view of 1937 after all-time high set last year. **Page 9**

Life insurance lapsation is criticised in a special report to the Utah legislature. **Page 4**

Harry E. Welsh and Douglas S. Craig have been made assistant managers of the ordinary department of the **Metro-politan Life**. Other appointments are announced. **Page 14**

J. T. Gallagher, superintendent of claims for the Northwestern Mutual Life; Victor M. Stamm, Milwaukee general agent, and B. C. Nelson, special agent, have been appointed to the arrangements committee for the annual meeting and dinner of the Milwaukee Association of Commerce, Feb. 4. M. J. Cleary, president of the Northwestern Mutual, is first vice-president of the association.

Read "Why Not Try It?" by Thierbach. \$2. Order from National Underwriter.

SCALE MAINTAINED

By action of the Board of Directors the 1936 Dividend Scale applicable to current 3 per cent contracts is continued without change. This applies also to the Company's present distributive interest rate of 3.75 per cent on policy proceeds left with the Company and on dividend accumulations.

The continuance of this progressive scale means that under all permanent plans of insurance in this group the 1937 dividend will show the normal increase over the amount apportioned in 1936. Under Term policies the dividend will remain level as heretofore.

Under older policies, issued prior to June 1, 1935, before the adoption of our present reserve basis, the scale effective January 1, 1937 will yield each policy a dividend at least equal to that credited at its last anniversary.

Careful underwriting is still bringing a favorable mortality, and dividend contributions from this source did not vary greatly from the experience of the previous year. Substantial dividend contributions from excess interest are hardly to be expected for some years. Progress is being made, however, and the investment situation generally is becoming more stabilized.

The Board's action is altogether favorable, and the basic facts justify the decision made.



One of a series—Giving facts about the Fidelity.

The **FIDELITY MUTUAL LIFE**
INSURANCE COMPANY
PHILADELPHIA
WALTER LEMAR TALBOT, President

Holds Benefit Outfits Can't Be "Non-profit" Associations

COLORADO DECISION GIVEN

Test Suit Provides Means of Checking Mutual Aid Concerns Operating Without Supervision

DENVER, Jan. 7.—A decision in district court here holds that a mutual benefit company is a business association and not a non-profit association or society within the contemplation of the state's non-profit law and that in operating as such it violates the provisions of the law and must forfeit its charter. The decision paves the way for a complete cleanup of Colorado's mutual benefit situation.

The decision was rendered against the International Service Union. The case was tried on an agreed statement of facts, various alleged facts pertaining to all mutual benefits of this type being brought out so that the court had a full picture of mutual benefit operation and could consider this action in the light of a test suit. The defendant was granted a 30-day stay of execution. If an appeal is filed, it will be given the right of way over everything but criminal actions so that a final decision can be expected early in January. Since the International Service Union was being made the object of a test suit, a receiver was not sought.

May Voluntarily Withdraw

This decision will probably mean that a majority of the mutual benefits of this type now operating in the state will voluntarily withdraw. The attorney-general's office will, by injunction, put out of business all those which persist. The present test case is the outgrowth of active investigation of the mutual benefit situation by the attorney-general's office.

There are now about 40 mutual benefits operating in Colorado which are not entitled to a legal existence under the non-profit law, according to J. G. Donaldson, assistant attorney-general who prosecuted the case. The non-profit law was passed in 1877. In 1928, mutual assessment life insurance companies, which were barred from Colorado, began trying to escape the effects of this ban under the non-profit statute. Charters soon became very valuable and were bought up by speculators and sold at fancy prices. Since the development of this condition, numerous complaints have been received by the attorney-general's office from certificate holders in various mutual benefits. Mr. Donaldson tried last year to clean up the situation by recommending regulatory legislation but was unsuccessful.

The present court decision makes passage of such legislation by the coming assembly practically certain. The attorney-general's office contends that if properly regulated, the mutual benefits have a place but that they should be under the supervision of a special division of the insurance department. He will demand a law placing the rate structure on an experience basis and requiring the full payment of claims.

HEARING ON DECISIONS

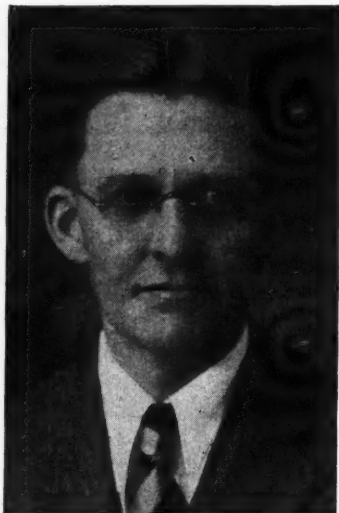
DENVER, Jan. 7.—More than 50 attended a meeting to review the two recent decisions handed down by the Colorado supreme court affecting mutual benefit associations.

A committee of attorneys was appointed to draft legislation after hearings which they will call in the next few weeks. Stanley Wallbank is the chairman. A sub-committee of mutual benefit operators, headed by James Patton, was also formed.

An appeal on the test suit quo warranto is expected to be filed within two weeks.

The proposed legislation is expected

Norene Becomes General Agent for Oregon Mutual



EDWIN H. NORENE

Edwin H. Norene, who has been assistant agency superintendent in the home office of the Connecticut Mutual Life, has joined the Oregon Mutual, for which he will be general agent in southern California with headquarters in Los Angeles. He returns to the west coast after some years spent in the east.

He entered the business as a clerk in one of the west coast offices of the New York Life and reentered the business after two years spent in the army. After having been an agency organizer for the New York Life in Portland, Seattle and Chicago, he joined the agency department of the Penn Mutual. He later became supervisor of agencies for the Fidelity Mutual and four years ago joined the Connecticut Mutual.

He has been active in the work of life agency associations.

Mutual Life's Virginia Men Make Outstanding Records

James B. Hutcheson, district manager at Roanoke, Va., for the Mutual Life of New York, signed his contract on July 19, 1922, and finished 1936 with an unbroken weekly production record of 750 weeks. In the Richmond agency of which Eldon D. Wilson is manager, he ranked No. 1 in the total number of paid for cases and No. 2 in the amount of paid for business. G. C. Outland, district manager at Norfolk, has a total of 498 weeks consecutive production. He ranked No. 1 in the Richmond agency in the amount of paid for business and No. 3 in the number of paid for cases. C. F. Jenness, Richmond agent, has had 299 weeks of continuous production. The Richmond agency showed a 25 percent gain in ordinary life production in 1936. In a Rose Bowl football contest in December, E. L. Ayres, Lynchburg, won the position of captain and quarterback for the winning team while G. C. Outland, Norfolk, won the honored position for the losers.

Gordon K. Hopper, top producer of the Phoenix Mutual Life's Chicago office managed by R. A. Judd, is attending the president's conference of the field staff and key members at the home office in Hartford. He made an outstanding record during 1936. On his way east he stopped at Rochester, N. Y., where he addressed the luncheon of the office managed by Al Churchill.

to have the full support of the Colorado Association of Life Underwriters and Life Agency Managers Association.

Texas to Use Schedule T in Collecting New Pension Tax

INTIMATE BACK TAX SUITS

Plan Levy of 3½ Percent on Business Still in Force, Written Before Robertson Law

DALLAS, TEX., Jan. 7.—Texas tax authorities have laid plans to collect premium taxes from life companies which withdrew from the state when the Robertson law became effective but which have been collecting premiums on Texas business ever since. The Texas authorities says those companies must pay 3½ percent on premiums collected in the state in 1936 for old age pension funds. Information now required under the new schedule T required in annual statements will facilitate collection, it is held.

The big companies which withdrew from the state when the Robertson law was passed have steadfastly refused to pay any tax on premiums on business in Texas. It is claimed under the Robertson law these companies now owe the state some \$9,000,000 taxes on premiums collected in Texas since they withdrew. The Texas tax authorities do not hope to collect that amount, but they are determined to collect the 3½ percent on the premiums paid in Texas to these companies in 1936.

Use Schedule T

Heretofore it has been next to impossible to determine the amount of premiums collected by these companies on Texas business. Under the new schedule T regulations companies must report the exact amount of premiums collected in each state in their annual statements. This, it is claimed, will give Texas an accurate figure for taxable purposes.

If the companies refuse to pay the 3½ percent tax on Texas 1936 business, suits will be filed in Texas courts, said one tax official. As the state will have a definite statement of the premiums collected by each company in Texas, no trouble is expected in the matter of collecting this tax. If there is resistance it is intimated that the state might take the 1936 basis, compute the total premium tax due since the companies withdrew and file suits for the entire amount. He hinted that Texas tax officials are in possession of a great deal of data on premiums collected in the state by some of these companies in the past quarter of a century, and that he believes the state can maintain a suit in court if it has to resort to such action.

The tax official who gave out the information said that he expected the companies to pay without much protest and that there would be no trouble involved. In withdrawing from Texas on account of the Robertson law, the companies were acting on principle and not because they were trying to avoid taxes, said the official. He said Texas believes in the Robertson principle and there is not much chance that the law will be repealed.

Turkeys Awarded Winners

At a New Year's party of the William A. White agency in Newark for the John Hancock Mutual Life, turkeys were awarded in a production contest to Ned Litwack, Richard Decker and Lawrence Kroner. The agency's annual dinner will be held Jan. 11 with J. H. Wood, agency comptroller of the home office, as speaker. J. B. MacWhinney, assistant general agent, will be toastmaster.

George Heyman, a leading producer of the Frederick Bruchholz agency of the New York Life, Chicago, died of a heart attack. He had been with the company since December, 1928.

Named Agency Chief of Provident Mutual Life



WILLARD K. WISE

Willard K. Wise, who has been an eastern Pennsylvania general agent of the Provident Mutual for 20 years, has been named vice-president in charge of agencies for the company. Mr. Wise has been with the company for 25 years. President M. A. Linton in discussing the appointment said Mr. Wise's promotion will put in the position a man thoroughly familiar with agency problems.

Northwestern Mutual Life Continues Its Ad Program

The Northwestern Mutual Life will continue its program of national magazine advertising during 1937 on about the same basis as during the past three years. The decision to continue the advertising program followed a thorough analysis and study of the results during the previous period, it was announced at the home office. The 1937 schedule will again be placed by the Buchen Company, Chicago advertising agency, which handled the account during the previous three years.

Interest in Retirement Series

The past year's retirement income campaign evoked interest with advertisements showing various spots throughout the country in which an elderly couple or person could retire on \$100 a month. The readership of these advertisements has remained consistently high, according to the reports furnished by advertising research companies. The 1937 advertisements will continue the plan followed last year in regard to coupon inquiries. In an effort to improve the quality of the inquiries last year, a line was inserted at the bottom of each coupon, giving the inquirer an opportunity to state his or her age, the specific amount of retirement income desired, and the age at which he or she wanted the income to start. As a result, agents found that a much higher percentage of inquiries are good prospects.

Both the "You, Incorporated" and "The Biggest Risk in Farming" campaigns are being carried into 1937. There will be a new retirement income campaign built around a new dramatic theme.

Palmer Will Speak

Insurance Director Palmer will address the meeting of the Chicago Association of Life Underwriters Jan. 15. He will discuss the new Illinois code and qualification act.

Security Mutual Enters Its 50th Year With Banquet

BINGHAMTON COMPANY FETE

Over 200 Attend—Pink, Whitsitt, Russell Are Among the Speakers—Community Pays Respect

BINGHAMTON, N. Y., Jan. 7.—The Security Mutual Life of Binghamton, N. Y., celebrated the start of its fiftieth year Monday with a banquet here. Over 200 were present and



F. D. RUSSELL

prominent among them were a score of representatives of other business concerns in Binghamton, Johnson City and Endicott that have also reached the half century mark.

The guest of honor and principal speaker was Superintendent Pink of New York.

President Frederick D. Russell acted as toastmaster and introduced Dr. Donald A. Laird, Hamilton, N. Y., professor of psychology at Colgate University, and Vincent P. Whitsitt, manager Association of Life Insurance Presidents, both of whom spoke.

Bronze Plaque Presented

A bronze plaque commemorating the anniversary was presented to President Russell by Herman A. Speh, president of the Binghamton Chamber of Commerce.

Mr. Russell reviewed the progress of Security Mutual during the past 50 years.

He said that Security Mutual was proud of the part it had played in helping its policyholders to win the battle of economic and financial freedom and of the part the individual officers of the company took in civic and community affairs.

Mr. Russell introduced the senior officers of Security Mutual Life, the directors, and former President Davis S. Dickenson who was present, and who responded to a rousing welcome.

The banquet hall was decorated with flowers and several huge baskets were received with congratulatory messages from friends among the other business institutions of Binghamton and vicinity.

Remarks at Banquet

Mr. Whitsitt declared that this anniversary represented the forging of another link in the history of American life insurance. "As one by one the country's great life insurance companies pass these larger milestones," he said, "the institution as a whole takes on added stature. Age, however, is not necessarily a criterion of worth. It is the ability of the country's life insurance organizations to achieve important

human and economic results that measures their true value."

Dr. Laird talked about how to get the most out of life. "Keep fit by keeping rested," he urged. "Avoid inflammation of the ambition. Many of us want to be bigger shots than the world will ever need. Avoid 'educationitis.' Learn something every day and keep mentally active. Avoid chronic dilation of the conscience and spend more time in being of helpful service. See weaknesses in ourselves and others and avoid perfectionism, and, last of all, avoid prolonged infancy. In other words, act your age. Neither condemn nor try to imitate the younger generation."

Has New Financial Statement

Continental American Life Makes a Splendid Showing on Its Operations for the Last Year

The Continental American Life of Wilmington, Del., is one of the first companies to present its new financial statement. The assets are \$19,535,518, capital \$637,530 and net surplus \$1,307,030. New business was \$19,321,672. It has insurance in force \$116,433,022. The company compares its new statement with that of Dec. 31, 1929, the last year of the boom. Since then its assets have increased 59 percent and insurance in force 26 percent. It paid policyholders last year \$1,894,810. Its new business increased 6.8 percent over 1935 and its insurance in force 4.8 percent. Its new policies issued last year averaged \$5,443 and 84 percent of its new business for the year was in policies of \$5,000 or more. Its assets increased \$1,579,628 or about 9 percent last year. Its portfolio shows excellent diversification, there being \$8,007,525 bonds of various kinds, \$5,116,858 in mortgages on city properties, \$759,511 real estate and \$657,158 in preferred and guaranteed stocks. Its cash on hand is \$573,252. The real estate has been written down so that the present book value is 75 percent of the unpaid principal of the mortgages held by the company at the time of requirements.

The Continental American realized a

Critically Ill



GRANT TAGGART

Grant Taggart of Cowley, Wyo., who is chairman of the Million Dollar Round Table of the National Association of Life Underwriters, is reported to be critically ill at Rawlins, Wyo., with a kidney-bladder complication, but is gradually recovering through medical treatments and rest. Mr. Taggart is nationally known because of his exceptional production in a sparsely settled territory and because of his ability on the platform.

gross yield of 4.19 percent on total investments made last year. This yield was due to its success in investing a large part of the funds in high grade first mortgages. Some 45 percent of the new investments during the year were in such mortgages and the rest, 55 percent, in bonds. So far the greater part of the new mortgages are on newly constructed residences occupied by owners. The assets are 11 percent in excess of reserves and all other liabilities.

Arkansas Test Tax Cases Are to Be Heard Jan. 11

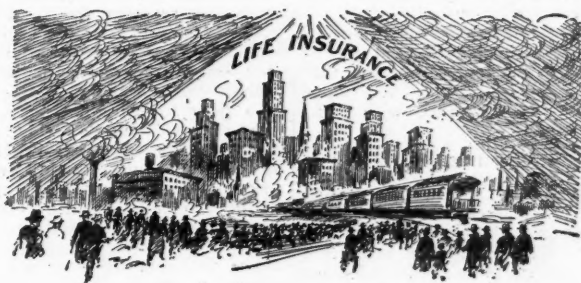
LITTLE ROCK, ARK., Jan. 7.—Three cases pending before the supreme court involving the state's right to collect premium taxes for fraternal have been set for oral argument and submission Jan. 11. The cases were

appealed from a decree of Pulaski chancery court giving the state back tax judgments as follows: Modern Woodmen, \$153,507; Maccabees, \$45,596; Woman's Benefit Association, \$31,633.

Lawyers have agreed the decision on the three suits will determine what will be done with some similar suits pending in the court involving claims for \$1,600,000.

Hartzell, Peck Appointed

J. H. Hartzell, Jr., becomes general agent of the Provident Mutual in Reading, Pa., and vicinity, and C. S. Peck becomes general agent for Allentown and vicinity. The appointments followed the resignation of W. K. Wise, former general agent for eastern Pennsylvania, who has become vice-president in charge of agencies. Messrs. Hartzell and Peck have had good records as special agents for the Provident in their respective territories.



NEW PROOF DAILY

Life insurance is continually proving its case.

Every year, in every community, substantial benefits are going out to policyholders or their beneficiaries.

Any prospect today will admit that he believes in insurance.

See that your prospect acts on his beliefs.



The Prudential
Insurance Company of America

EDWARD D. DUFFIELD, President

Home Office - Newark, New Jersey

N. Y. Life Winner in Highest Court

(CONTINUED FROM PAGE 1)

The court observed that insurers issue policies with many variations in terms and conditions to individuals at different ages and unequal expectation of life. There the statute leaves discretion to each company as to what constitutes an "equitable" apportionment. In *Greef vs. Equitable Life of New York*, 160 N. Y. 19, the court stated that when "directors have exercised their discretion in regard thereto, the courts will not interfere unless there is bad faith, or wilful neglect, or abuse of such discretion."

Under the contribution method of apportioning divisible surplus, the aim is to make distribution among policyholders in the same proportion as the policyholders by their payments have contributed to that surplus.

The New York Life has outstanding about 2,600,000 policies. It divides them into about 150,000 classes, based upon variation in some factor which entered into the computation of the anticipated cost and it determines the amount which should be returned to policyholders of each group or class accordingly. The plaintiff challenges the application of the principle of contribution only in one respect. She maintains that the company is discriminating inequitably and unlawfully between holders of policies that provide life insurance only and those that provide life insurance with additional benefits.

Variance In Costs

The New York Life has determined that the premium fixed for life insurance has, as expected, been more than the actual cost of furnishing the insurance, but that the extra premium included for disability benefits has, in every year since 1931, been less than the cost of furnishing these benefits.

The holder of every policy of life insurance contributed to the divisible surplus whereas the holder of every policy which provided disability benefits depleted the divisible surplus. Since 1931 the New York Life has undertaken to repay to the holder of a policy of life insurance the amount which he paid in excess of the cost of furnishing the insurance and to the holder of each policy of life insurance with disability benefits the excess of the total amount he paid for that policy over the cost of furnishing the life insurance and disability benefits.

The plaintiff is asking that apportionment to her policy be made as if it were a combination of two separate agreements based on separate premiums. If a policy which provides life insurance combined with disability benefits constitutes but a single agreement given to the insured in exchange for a stipulated premium in payment, then undoubtedly the apportionment made by the company is equitable, for upon each policy the company then pays exactly the excess of the premium paid over the cost of furnishing the insurance and benefits promised, according to the court. The plaintiff and other holders of similar policies have no ground for complaint unless their policies are divisible into an agreement for life insurance made in exchange for a stipulated premium and a second agreement independent of the agreement for life insurance and made in exchange for a separate premium.

Loss to General Fund

Only if the New York Life's agreement to provide disability benefits is entirely divisible from the other promises embodied in the policy and has been made solely in exchange for the payment of an extra premium entirely independent of other considerations may the plaintiff and others similarly situated insist that any loss caused to the company by insufficiency of the stipulated premium to meet the cost of furnishing the promised benefits be borne by the company out of its general funds.

Under such a construction the plaintiff and others similarly situated would pay to the company less than the cost of the insurance and benefits furnished and to meet the deficit the minority of the policyholders who have a different form of policy would be required to pay more than the cost of the insurance furnished to them. The deficiency in the plaintiff's policy is only \$9.08, but if her contentions are sustained holders of the 1,600,000 policies which contain similar provisions will receive many millions of dollars beyond what they pay for. Neither the insurance law nor the terms of the New York Life policies dictate such a result.

The fact that the disability provision may be excised from the contract makes it to that extent a separable promise, yet the life insurance and disability provisions are integral parts of a single policy.

Not Independent Agreement

The sole question is whether the promise of the New York Life of disability insurance constitutes an independent agreement made in exchange for a separate premium, though embodied in a policy which contains other promises. The promises of the disability benefits could be obtained only as a part of a policy of life insurance. It survives only so long as the life insurance policy continues in existence. It is therefore difficult to understand how the provision for disability can be regarded as an independent agreement made in exchange for an independent consideration.

The premium fixed for a policy containing a number of promises might represent the sum of the amount fixed by calculation of each factor of cost, nevertheless all the promises would be given to the insured in exchange for the payment of the total premium. The court stated it may assume that the

choice of policy by an assured does not ignore the difference in the premiums demanded for each.

The plaintiff pointed out that the insurance department requires a separate statement of the amount of extra premium charged for disability benefits. The court stated that the policy exacts a total premium for the totality of the promises and the statement that the total premium includes an extra for disability benefits serves to inform the policyholder of the manner in which the premium is composed and the amount by which the premium may be decreased if the policyholder desires life insurance alone.

The provisions of section 83 that the divisible surplus of a company must be equitably apportioned to each policy becomes part of every policy issued. The premium represents merely the estimated cost of the policy.

Contracts Totality Stressed

Promises and premiums are separable for some purposes but the totality of the promises is given in exchange for the total premium. No promise of disability benefits alone could be obtained for the extra premium alone. The insurance company must carry out the promises it has made. It could not exact more than the stipulated total premium, if that premium should be insufficient. It must in addition return in the form of dividends any excess of the premiums it may receive over that cost. It has done so in this case.

It was pretty generally believed that the decision would be favorable to the New York Life but now that the case has been settled by the state's highest court it is considered likely that more companies with similar disability situation will adopt a like policy of paying a smaller dividend to policyholders with the income disability provision in their policies.

Some may be deterred, however, by the possibility that the courts might find a difference between a policy containing in its body disability benefits and one giving such benefits in a rider.

Tell Northwestern Mutual Life Gains

(CONTINUED FROM PAGE 1)

Northwestern introduced juvenile insurance more than \$21,000,000 has been placed. Mr. Hill emphasized the value of such business, not only for immediate and renewal commissions but as a source of future business, since one-third of the lives and one-half of the volume issued by the Northwestern is repeat business. Nearly \$70,000,000 has been placed on female risks. For juvenile and female business agents have been paid in first year commissions alone \$1,314,000 Mr. Hill revealed. He urged greater attention to the development of this field, saying that not an agency represented at the meeting was among the company's 10 leaders in either juvenile or female risks.

Biggest Share in 1936

Mr. Hill said that in the 43 states, including the District of Columbia, in which the Northwestern operates, it wrote nearly one-twentieth of the business done in that territory in 1936 and this percentage was the highest in the 11 years covered by the survey.

Reviewing the dividend situation, Mr. Hill said that the company's recent action in reducing dividends by an average of 17.7 percent had been accepted as an indication of conservatism entirely in line with the present low level of interest rates. He told of a man who bought \$100,000 policy for his son and said that he was influenced in his choice of a company by the dividend reduction as a sign of its conservatism.

While some policyholders may have got the notion from the 17.7 percent dividend cut that their insurance net premiums would be increased by that amount, Mr. Hill showed that actually

the amount that individual policyholders would have to pay for their insurance in 1937 in comparison with the last year would be nowhere near such an increase. He cited figures at various ages and durations, in which the increase in net premiums, after deduction of dividends, would range between 2 percent and 12.4 percent.

Touching on the field for new business opened up by the pension trust idea, Mr. Hill said that the company had brought out a new application form for such cases, but warned that great caution must be used in handling pension trusts and said that the best way for the average agent to operate in this field is on a short basis with some pension trust expert.

Effect of Social Security

Another big field, he said, is that opened up by the social security act. It has made people retirement conscious, he said, and the inadequacy of the maximum pension of \$85 per month makes the better paid employees covered by it good prospects for life insurance, to say nothing of the large group, such as farmers and professional men, youths, and wives, who are not covered by the act at all.

As to the sales prospects for 1937, Mr. Hill said that there are "green lights ahead for business generally and for the life insurance agents who will take advantage of the opportunities." Commenting on the lag of life insurance production, both in reacting to depressions and to recoveries, he said that the most logical reason in the delay of improvement seems to be that there is an accumulation of pent-up desires for ma-

terial things which are being fulfilled and which will continue to be fulfilled, such as for automobiles, refrigerators, housing improvements, while people feel about life insurance that they can always buy it tomorrow.

"It just means that we have got to be a little more aggressive if we are going to translate these increased dollars into life insurance sales," he said.

Describing the operations of the "success group" among Northwestern Mutual agents, Mr. Hill said that those who really want to emulate them should make more use of direct mail facilities supplied by the company, keep accurate records, feed fresh names into their prospect hopper consistently, not sporadically.

Cost of Being "Different"

As to the agent who says that direct mail is all right for the other fellow, but that he is "different," Mr. Hill said that he was astonished at the price that many small producers paid for the privilege of saying "I'm different." There is abundant testimony that direct mail works, he said.

The fact that the mediocre producer has three or four good months is due to his unorganized prospecting, Mr. Hill said. If such an agent could take his three or four best months and keep up that average for the entire year, he would usually be a leader in his agency. Mr. Hill closed by saying that in the last analysis, whether the agent wants to do something about being a success is his own problem, just as in the case of the prospect who is being asked to do something about protecting his family or his own old age.

"Forget the Gong"

Speaking on "Forget the Gong," R. P. Thierbach, assistant director of agencies, who has just been made Cleveland general agent, quoted Major Edward Bowes, of amateur hour fame, as saying that every salesman, no matter how experienced, must face a situation like the amateur whom the gong may interrupt, but that nevertheless the salesman who forgets about "getting the gong" is the salesman who is so intent on his job, who is so intent on helping that prospect to decide in his favor and who is so confident of ultimate success that he never stops to think of a possible "no" from the prospect.

Mr. Thierbach recalled times in the history of life insurance, after the Armstrong investigation, during the World war and other periods when it might have been difficult for agents to "forget the gong." Yet agents overcame these difficulties. He told of Irwin Renfrew of Hutchinson, Kansas, in the dust storm area, who needed to pay for 60 lives between Dec. 1 and the end of the year and achieved his goal.

Insurance a Fundamental Desire

Outlining the life insurance sales opportunities opened up by the coming period of prosperity, Mr. Thierbach continued:

"In this changing order, life insurance goes on because it is based upon a fundamental instinctive desire of men which has thus far always been thwarted. He has never been able to have as much of it as he wanted. In the changes of the moment, many see the hope of obtaining a large order of your commodity. The needed replacement of material things is but a fractional part of the magnitude, between life insurance in force and the amount necessary to fulfill a man's primitive desire for protection—your commodity. The only available program which permits man to express his deepest desires in documentary form, wanted by him, so that his life may be adequate and complete, obtainable by him in greater quantities, for the past year has given him the money to obtain it and, by the way, our basic supply of money and credit is over \$16,000,000,000 and our metal over \$11,000,000,000, both an all time high. What you do with 1937 will depend upon your ambitions and your

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fears. So again let me say get a vision and above all else forget the gong."

Direct mail is well worth its cost and deserves the investment of a substantial share of an agent's commissions, said E. H. Earley (Atkinson, Brooklyn). Mr. Earley has averaged 79 lives for \$915,000 for each of the last 14 years, during which time he has spent \$1,400 a year on direct mail.

If the company is willing to spend a portion of its income on advertising, why shouldn't the agent spend some of his income to tie in with this advertising, he asked. The biggest thing about advertising is continuity, he declared, quoting an advertising expert to the effect that "it's not what you say but the number of times you say it."

Prestige So Much Velvet

Mr. Earley said he was sure his advertising had helped him greatly although he could not make a close estimate of just how much. However, in 1935 he paid for \$104,000 and in 1936 for \$93,000 traceable solely to his direct mail advertising and which he would not have got otherwise. Thus his advertising was a paying proposition by itself and the prestige and indirect help in selling other business was so much gravy.

A list of 5,000 names is Mr. Earley's field of action. They are classified according to how "hot" they are. They hear from him from two to twelve times a year. That long-term cultivation works out successfully is shown by the fact that on the average he had been working on those who bought from him in 1935 for 7.2 years, while the 1936 figure was 8.7 years.

Classifying the Prospects

Mr. Earley's list of 5,000 prospects includes some 2,000 "hot" prospects who get 12 mailings a year; 500 "could, would or should" prospects—eight a year; 600 policyholders—seven a year; 700 "friendly" prospects—five a year; 800 fellow college alumni—three a year; 200 names out of "Who's Who"—two a year. Except for the birthday greeting card, a reply card is enclosed with each mailing piece.

In planning his selling, Mr. Earley uses a monthly prospect inventory, a list of potential buyers whom he can reasonably expect to sell during the approaching month and how much each can be expected to buy. These should add up to at least \$100,000 a month and preferably nearer \$250,000.

What Center of Influence Should Be

W. L. Momsen, McMillen, New York City) said that the four desirable qualities in a center of influence are (1) well and favorably known in his community or sphere of activity; (2) proud of his possessions—i.e., willing to recommend to others the purchase he has made; (3) a good prospector; (4) the type of person who joins many associations and activities.

To make such a person into the best center of influence the agent should (1) make him a satisfied and gratified policyholder; (2) educate him on life insurance; (3) ask his advice and counsel; (4) sell him on the Northwestern Mutual Life, said Mr. Momsen.

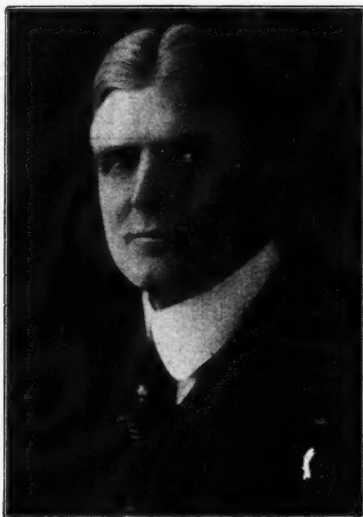
Part-Time Star Speaks

F. H. Ramsey, part-time agent in Johnstown, N. Y., told how he uses the company's direct mail letters and other sales helps. The "spotlight" cards, listing particular types of prospects, directed him to at least 13 sales in the last two years that he would not have got without them, he said.

The subject of building prestige in small cities was handled by C. A. Erickson, (Warren, Pa.) Use of the company's direct mail and "spotlight" cards was described by L. J. Evans, assistant director of agencies, and Louis Wallis, Trenton, N. J.

Lawrence I. Long, 25, of the Ohio State Life's mortgage loan department in Akron, O., died of pneumonia.

40-Year Man



ERNEST J. CLARK

Ernest J. Clark of Baltimore, 40 years a John Hancock man, was guest of honor at an anniversary banquet in Baltimore, attended by head office executives, John Hancock general agents from other cities and members of the Baltimore agency. He is state agent at Baltimore for the John Hancock.

Those attending from the head office were President Guy W. Cox and Agency Comptroller J. Harry Wood. Paul F. Clark, home office general agent, and A. W. Defenderfer, general agent of Washington, D. C., were on hand.

Mr. Clark is nationally known. He is a past president of the National Association of Life Underwriters and was a co-founder of the American College of Life Underwriters. To the development of the latter organization he has devoted a great deal of attention in recent years.

Mr. Clark joined the John Hancock in 1894 as superintendent of agents for Ohio and West Virginia. Three years later he was made state agent at Baltimore for Maryland and the District of Columbia.

It is said that at the suggestion of Mr. Clark, Dr. S. S. Huebner, the famous life insurance educator, wrote his first textbook on life insurance.

Four John Hancock general agents had their earlier training under Mr. Clark. They are: W. A. White, Newark; Paul F. Clark, A. C. Adams, New Haven, and Mr. Defenderfer.

Seeks More Power

BOSTON, Jan. 7.—More concentration of power in the hands of the Massachusetts insurance commissioner will be sought by Commissioner De Celles at the next legislative session. The commissioner feels that the statutes do not give him adequate authority to keep undesirable companies out of the state or to eliminate companies which do not appear to be running their business in accordance with the best principles. The principal purpose is to gain greater control over companies writing compulsory automobile liability insurance.

Another measure proposed by the commissioner would give him the right to refuse to sign a charter of any insurance company until he is satisfied that the incorporators are of good repute and intend to operate the company in good faith.

Desire representation or agency for Insurance, or Trust funds to loan, Seattle and neighboring cities. Funds for apartments and industrial preferred. Established fifteen years Seattle. Banks and other reference. T. H. Gilham, 727-8 Vance Bldg., Seattle, Washington.

Carpenter Sues 6 Former Pacific Mutual Officers

NEARLY \$1,000,000 IS INVOLVED

California Commissioner Charges Defendants with Unwarranted Payment of Stock Dividends in 1934-35

Charged with having declared dividends to Pacific Mutual stockholders in 1934-35 when such payments were not warranted, six former officials of that company have been sued by Commissioner Carpenter of California for \$990,990. The defendants are: George I. Cochran, former president; W. H. Davis, former vice-president and general counsel; D. E. C. Moore, former vice-president; W. C. Green, former vice-president; Delancey Lewis of San Francisco, former vice-president; and S. F. McClung, former secretary.

Suit was brought in superior court. Carpenter was acting in his capacity as conservator of the old Pacific Mutual. The suit was brought at this time because the statute of limitations would soon have run.

Mr. Carpenter stated that some of the directors who voted for the dividends were not sued because they had signed waivers permitting themselves to be sued after the statute of limitations had run.

The complaint cited as unlawful these dividends: Jan. 2, 1934, 50 cents a share, total \$254,100; March 2, 1934, 40 cents a share, \$203,280; June 11, 1934, 40 cents, \$203,280; Sept. 11, 1934, 40 cents, \$203,280; Jan. 2, 1935, 25 cents, \$127,050.

Attorney Harold Judson, representing four of the defendants, declared the suits to be "unjustified."

Suit Called "Unjustified"

"The suit," he declared, "is based entirely upon the theory that the surpluses were insufficient because the non-cancelable reserves were assertedly inadequate. There is no justification for the suit because it is impossible to determine what such reserves should be. In its decision before, the court expressed this very opinion and future developments will bear it out. Apparently my clients quite properly could see no reason for waiving the statute of limitations."

An appeal has been filed with the California supreme court from the ruling of Judge Willis in Los Angeles, upholding the Carpenter plan for rehabilitation of Pacific Mutual Life. The attorneys that filed the appeal are W. H. Neblett, Vernon Bettin and W. G. Dickenson. They presented a brief alleging that an attempt had been made to perpetrate fraud through the courts with the aid of state agencies. They contend that the law was forgotten by Judge Willis, the constitution of the state and of the United States was ignored.

They charged that the court erred in permitting the incorporation of the new company with a name similar to the old, indicating that it was a mutual company, when such was not true. They charged that there was a failure to file a finding of facts; a failure to set aside the order of Judge Edmonds and affirming the reorganization, when Judge Edmonds was disqualified. The brief contends that the court approved the Carpenter plan and permitted the issuance of stock in the new company when under the law such an issuance is void. They contend that the Carpenter plan shows on its face a violation of obligations and contracts and due process of law.

To Fete W. R. Bonner

NEW YORK, Jan. 7.—W. R. Bonner retiring commander of the Insurance Post of the American Legion, will be honor guest of his comrades at a dinner at the Roger Smith hotel here. He is assistant manager of the life department of Stewart, Hencken & Will, Inc.

What Proved the
Greatest Pool
of Liquid
Resources?

...LIFE
INSURANCE!

Men who bought Life Insurance for the days after their death, have found it their best friend in life! Men who bought it to support their families after they are gone, have found it supporting them while they are here. Men who could turn no other ready resource into cash in days of dire need, have found Life Insurance their greatest pool of liquid resources.

No insurance company likes to talk of loan values, for the loan value in a policy is an emergency reserve that should not be touched while there is any other resource . . . but no Life Insurance company needs to talk of loan values now, Policyholders have found what a good friend the loan value in their Life Insurance contracts can be in emergencies.

That's why we say there is more to Life Insurance than a policy in life and a settlement after death. It is one of the great stabilizing influences of our day. It saves homes . . . supports families . . . provides ready cash in emergencies . . . fights disease . . . minimizes the effects of unemployment . . . reduces child labor. It is a great social force.

★ Reliance Life has always had more than the required measure of reserve strength

RELIANCE LIFE
INSURANCE COMPANY OF
PITTSBURGH

EDITORIAL COMMENT

Still a Big Field

THE actuarial disfavor in which the ultra-fancy settlement option frills find themselves should not blind agents to the vast need for a broader spread of the settlement option principle in its sound and uncomplicated forms. Reliable surveys indicate that with all the attention that has been given to promoting the settlement option gospel, only from 15 to 20 percent of the insurance in force is on other than a lump sum basis. And it is anybody's guess as to how much of what is in effect needs rearrangement to bring it up to date.

Conscientious life agents are often

surprised in looking over new clients' policies, that the agents who have gone before have done so little in seeing that the coverage was set up to do the best possible job. So far, there has not been much inclination on the part of the public to demand this service but as general familiarity with the benefits of optional modes of settlement spreads, the agent who has failed to set up simple, yet adequate machinery for the distribution of proceeds may find his qualifications for his job questioned by the public as they now would be questioned by his colleagues, and himself at a disadvantage in competition.

Great Britain and the United States

IN Great Britain a relief in the payment of income tax is given where a life insurance premium has been paid. The amount of this relief is figured by taking the amount of the premium and multiplying it by one-half of the standard rate, at present 11 1/4 percent, and subtracting this from the total amount of the tax. In this country this would be equivalent to allowing a deduction as an expense of one-half of the amount paid for the insurance. No relief is allowed in Great Britain against the surtax and no exemption is granted from estate duties to any part of life insurance proceeds.

In other words, in the United States \$40,000 in life insurance is exempt from

the estate taxes but the premiums are not, whereas in Great Britain there is no exemption of life insurance proceeds but the exemption comes in exempting one-half the premiums paid for life insurance from taxation.

Which is better?

In both countries there is a recognition that life insurance to some extent at least should be exempt from estate taxes. An interesting new angle to this situation will be created should Congress in the new tax bill make life insurance up to a certain sum exempt from inheritance taxation where it has been especially earmarked for the payment of death taxes.

Providing for Retirement Incomes

LIFE agents find that more and more men and women are buying retirement policies giving them a stipulated income at age 65, or 60 for the most part. The social security legislation has made people realize that they should provide for themselves in old age or during any unusual disability or emergency. As one manager put it, the social security act

is a "teaser." It puts into one's mind the feeling that the government finds that it is highly essential that people be protected under conditions where they may not be able to protect themselves. Life insurance opens the way for proper protection. The social security act gives only minimum protection, and should be augmented by life insurance.

Prosperity's Problems

JUST as home offices and agencies which failed to do the necessary retrenching during the depression found themselves wasting hard-won dollars, so are offices now coming to realize that the penny-pinching tactics which were essential during the depression may be a serious handicap to getting business now that recovery is definitely in sight. As President Alvin E. Dodd of the American Management Association pointed out in connection with that organization's recent office management conference, careful rebuilding is essen-

tial, for accurate, speedy, and intelligent office work is the lifeblood of our modern complex business machinery.

In addition to getting normal procedures back to something like pre-depression levels, there are now problems facing those in charge of office work. A whole new field is opened up by the requirements of social security and other legislation. Lessons have been learned during the depression years, leading to a demand for flexibility of operation. In addition, there is the unavoidable scarcity of trained office help

in the age group below, the result of the inability of business generally to take on young people during the depression years. Alert office management men are realizing that recovery

has its problems no less than the depression, and that later grief can be avoided by taking account of the upward trend in business generally at the present time.

PERSONAL SIDE OF BUSINESS

The engagement of Miss Gerald Moore, daughter of Mr. and Mrs. E. C. Moore of Brooklyn, to **Thomas I. Parkinson, Jr.**, has been announced. Mr. Parkinson's father is president of the Equitable Life of New York.

Charles F. Adams, president of the Oregon Mutual Life and chairman of the board of the First National Bank of Portland, has completed 55 years in the banking business. In 1908 he became a director of Oregon Mutual Life, the following year was made treasurer and in 1927 was elected president.

Commissioner S. L. Carpenter, Jr., of California has returned to his San Francisco headquarters, where he plans to spend the next two weeks with short trips to Sacramento where the legislature is now convening. Due to the press of duties in connection with rehabilitation plans for the Pacific Mutual Life, Commissioner Carpenter has been in southern California practically all the time for the past seven or eight months.

Robert F. Giles, chairman of the board of the Occidental Life of Los Angeles, died at his home of a heart attack. His condition had been critical for several weeks and for the past several years his health had been impaired. He had been connected with the Occidental Life since 1906. He was secretary and general manager, then president, and when his health became uncertain, he was made chairman of the board.

H. M. Leonard, chairman of the Manhattan Mutual Life of Manhattan, Kan., died at the age of 86. His death came just a few days before his 87th birthday. He organized the Manhattan Mutual in 1918 and served as president and actuary. For the past few years he has not been active. At one time he was connected with the Texas insurance department. He was one of the organizers of the old Home Mutual Life of Topeka.

Claris Adams, president Ohio State Life, spoke to the Columbus, O., Kiwanis Club on "What Is Social Security?"

Charles P. Lynch, an agent of the New York Life in Elmira, N. Y., who some time ago wrote the largest policy ever written in Elmira, for \$1,000,000, died there, following a brief illness. Late in December Mr. Lynch underwent a serious operation, from which he appeared to be recovering when complications developed which caused his death.

Mrs. H. S. Standish of Los Angeles, wife of the manager for the Sun Life of Canada, who is president of the Salon Francais, has been awarded the rosette of the Golden Palm Academie for distinguished service to French art and literature. The decoration is the third Mrs. Standish has received. In 1917,

while president of the Chicago Matinee Francaise, she was awarded the Medaille de Reconnaissance. In 1931, while president of the Salon Francais of Los Angeles, she received the Silver Palm Academie.

Mr. Standish was assistant manager of the Union Central in Chicago before going to Los Angeles.

Dr. George A. Harlow, senior assistant medical director of the Northwestern Mutual Life, and Mrs. Harlow have left Milwaukee for an extended vacation trip to the southwest and points in California. Their first stop is Tucson, Ariz., where they will be for some time, and their itinerary later will include Pasadena, Los Angeles, Santa Barbara and other points.

Dr. Noah E. Scott, 59, general agent in Washington and northern Idaho for the Kansas City, died at his home in Seattle from a paralytic stroke. He was the first general agent in that district for his company.

J. W. Rivers, manager of the Union Central Life at San Francisco, suffered a broken shoulder while playing golf.

J. J. Shambaugh has joined Jackley & Co., Des Moines investment securities, as vice-president in charge of new business. Mr. Shambaugh, since 1934, has been representative of the receiver of the Register Life. He was president of the Des Moines Life & Annuity before its merger five years ago with the Royal Union Life when he became president of the latter.

Union Central agents are campaigning for new business in January in honor of President **W. Howard Cox**, who is completing his fifth year as chief executive. This also marks the 70th anniversary of the Union Central. Special awards for number of applications are to be made at the conclusion of the drive. The Union Central will hold its agents' convention in Havana in January, 1938, when the \$500,000 Club will be host to the \$250,000 Club.

January is being celebrated as **George F. Wall** month by agents of the Yeomen Mutual Life in recognition of the birthday of Secretary Wall.

Mr. Wall started with the company in 1908 as an agent, and was subsequently district agent and field supervisor before being named secretary in 1925.

The body of **Irving H. Rodwell**, 34, president of the Rochester, N. Y., Life Underwriters Association, was found in his automobile which had been submerged in a barge canal near Pittsford, N. Y. Mr. Rodwell, who was an agent of the New York Life, disappeared early in November on the way to make a call on a prospect in Geneva, N. Y. It is difficult to determine how the accident occurred, although a hole in the rear tire indicates a possible blowout. The



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lights were on which indicated he had been driving at night. However, the posts on the highway were not damaged and the ignition switch was turned off and the emergency brakes not set.

Dr. William H. Muhlberg, vice-president and medical director Union Central Life, has been named chairman of the medical committee for the President's birthday ball to be held in Cincinnati Jan. 30 simultaneously with similar affairs throughout the nation. Proceeds will be used to further work done in

Cincinnati and at Warm Springs for infantile paralysis sufferers. Dr. Muhlberg is a member of the Cincinnati board of health. Charles Sawyer, chairman Union Central's investment committee and Democratic national committeeman for Ohio, and Mayor Russell Wilson, a director of the Union Central, also are members of the committee.

F. W. McIntosh, Chicago manager of the Monarch Life's personal service bureau, will spend January in Florida for his health.

in cash. Policyholders who elected to take stock in the Life & Casualty, were given the privilege of exchanging their Life & Casualty stock for stock in the Alliance Life at the ratio of 75 shares of Alliance Life for every three shares of Life & Casualty.

Claim reserve as of the date of the examination was \$58,284.

Paul M. Ray, general agent of the life department; Edwin O. Martin of the life department; Pollock Boyd and William S. Keese, Jr., Trotter, Boyd & Keese, general agents of the accident department, and W. C. Cartinhour, vice-president and secretary.

Buy Canadian Company Control

Control of the National Life of Toronto has been purchased by H. R. Baine, Toronto mining broker, and Robert Fennell, a lawyer of Toronto. It is understood they purchased 5,700 shares that were owned by A. H. Beaton, president and managing director; Mary L. Beaton, his wife, Dr. A. A. McDonald, medical director, and the stock previously owned by Frederick Sparling, who was formerly managing director.

The National Life was incorporated in 1897 under Dominion charter, and has operated since 1899, now having about \$50,000,000 of business in force, and about \$12,000,000 of assets. For a considerable time it confined its investments to government and municipal bonds, but in later years some corporation bonds and stocks were added. About a year ago the Dominion superintendent criticised the company's board for what he claimed was use of policyholders' funds to retain control of the company.

Old Line Reports Gain

MILWAUKEE, Jan. 7.—Improved financial conditions in 1936 naturally are reflected in a greater volume of life and accident and health insurance, according to John E. Reilly, president Old Line Life of America.

"We have experienced a very satisfactory achievement in 1936; practically

NEWS OF THE COMPANIES

Kemp Optimistic Over 1937

Pacific Mutual President Calls Attention to Increase in Sales, Strong Financial Statement

In a spirit of optimism concerning the outlook for the new year, A. N. Kemp, president of the Pacific Mutual Life, called attention to a widespread and general increase in personal earnings, a substantial portion of which is being invested in life insurance. An even greater trend in this direction for 1937 is strongly indicated. "Our company is doing its share of these increased underwritings," said Mr. Kemp. "In the coming year we plan to avail ourselves of the extensive use of daily newspaper advertising space as a means of explaining the merits of our policies."

"As a result of recently circularizing our policyholders, which included a mid-year balance sheet, and from a recently published schedule of securities in our portfolio, we have been complimented by business men and financiers on the liquidity, diversification and basic value of our investments."

Highly Liquid Position

"The highly liquid position of the Pacific Mutual is indicated by a large amount of cash on hand. Its latest balance sheet showed security holdings totaling \$65,000,000, of which government, state and municipal bonds comprise about 38 percent, public utility 27 percent, railroad 12 percent, and about 11½ percent is invested in industrial and real estate bonds. The balance is composed of high grade preferred stocks of nationally known industrial and public utility companies, a small holding of prime guaranteed stocks and the remaining 1½ percent in common stocks. In addition to cash and stocks, the company has a fine backlog of investments in real estate loans, which total over \$80,000,000," Mr. Kemp concluded.

Would Continue Lincoln Company

LINCOLN, NEB., Jan. 7.—Insurance Director Smrha has asked the district court for permission to continue as a going concern the Cosmopolitan Old Line Life of Lincoln under the direction of the department. The request was filed after the court approved a stipulation entered into with attorneys for thrift policyholders who recently recovered a judgment for \$191,300 against the company and President Matthews. Under the terms of this stipulation the company, by turning its surplus of \$84,050 into thrift cumulative endowment fund and also all later savings in mortality, is relieved of all further liability under the judgment, which remains in force against Mr. Matthews. Any payments by the latter, if and when made, are to be similarly credited.

January "Dugger Month"

January is "Dugger Month" with the Great American Life of San Antonio, Tex., in honor of Wm. L. Dugger, agency vice-president. This will open the campaign to qualify for the company convention in August. Excess production for January may be applied on following months' quotas.

No Great Republic Life Deal

Commissioner Carpenter Has Not Approved Sale of Los Angeles Company to Gunter

SAN FRANCISCO, Jan. 7.—No approval to the application for the sale of stock of the Great Republic Life of Los Angeles to C. W. Gunter of Oklahoma City, has been given by Insurance Commissioner Carpenter of California, who has been conservator of the company since 1934. According to recent advices Mr. Gunter was to buy control of the company and to become its president but court litigation and the conservatorship must hold up further action until some definite decision has been made by the authorities.

At present the company is "in the courts" as a result of the action of its officers protesting the action of the commissioner who last year approved a reinsurance deal with the Postal Union of Hollywood. The Occidental Life and a group of business men had also bid for the company, the latter on a rehabilitation plan. The shareholders refused to accept the decision of the commissioner and obtained an injunction preventing him from going through with the deal.

Under the conservatorship of Commissioner Carpenter the company's finances have been materially strengthened but it is not writing any business until the case is settled.

Report Is Given on Audit of the Mutual Casualty

Total assets of the Mutual Casualty of Chicago, a personal accident company, as of April 30, 1936, amounted to \$400,593 and net surplus \$237,633, report of an examination by the Illinois and Kentucky departments discloses. Book value of real estate is \$274,140, cash position is ample for present needs, claims are paid promptly and in accordance with the contract. There is a favorable loss experience but a consistent increase in expense ratio.

M. A. Kern is president and L. D. Kern is secretary. They hold the same positions with the Alliance Life of Peoria.

There is a general agency contract with the Life & Casualty Agency Company. This will expire in 1941.

During the first four months of this year's net premium income was \$54,239 and total income \$118,292. Losses paid were \$13,265 and total disbursements \$169,507. There was paid \$110,452 in dividends to policyholders. In 1935 premium income was \$160,053, claims paid \$32,348, commissions paid \$52,292, dividends to policyholders \$49,625, other disbursements \$114,847, net surplus \$340,335, loss ratio 27.11 percent, expense ratio 71.46 percent.

In 1929 a resolution was adopted providing for a division of surplus each year to members who have been participating members in good standing for six full years. The distribution was to consist of three shares of stock of the Life & Casualty of Chicago (now the Alliance Life) at \$50 per share or cash in amount of \$150. The amount declared since that time has been \$747,127 of which \$211,350 was paid to policyholders

Stock Is Retired

ST. LOUIS, Jan. 7.—In accordance with the plans for the complete mutualization of the General American Life the retirement was effected of all stock owned by persons holding lots of 100 shares or less. The retirement price is \$60 per share and 1,078 shares were in the first lots retired under the mutualization plan. This stock was held by 144 persons. The company deposited about \$10,000 with the First National Bank in St. Louis to the credit of stockholders who had not turned in their stock in response to the retirement call, while \$54,680 was paid direct to stockholders who had surrendered their stock.

"Golden Jubilee" Launched

In observance of its 50th anniversary, the Provident Life launched its "golden jubilee" celebration with a luncheon-meeting Jan. 2 when more than 30 officials and representatives from the home office discussed plans for the 12-month commemoration.

R. L. Maclellan, vice-president and head of the life department and son of President R. J. Maclellan, outlined an extensive advertising program. A unique part of this program, it was explained, is a current solicitation on the part of the Provident of coins made in 1887, the year the company was organized.

Other speakers at the meeting were

TWENTY-NINTH ANNUAL STATEMENT

CONTINENTAL AMERICAN LIFE INSURANCE COMPANY

WILMINGTON, DELAWARE

DECEMBER, 31, 1936

ASSETS:

BONDS: U. S. GOVERNMENT.....	\$1,723,906.90
CANADIAN GOVERNMENT	48,497.45
STATE, COUNTY & MUNICIPAL..	1,522,638.00
RAILROAD	2,085,257.87
UTILITY	2,565,543.28
INDUSTRIAL	61,681.87
FIRST MORTGAGES ON CITY PROPERTIES.....	5,116,858.27
FIRST MORTGAGES ON FARMS.....	211,879.80
REAL ESTATE	759,510.94
POLICY LIENS WITHIN THE RESERVE.....	4,153,059.14
PREFERRED AND GUARANTEED STOCKS (at market value).....	657,157.50
BANK STOCKS (at market value).....	56,275.00
CASH	573,252.31
TOTAL	\$19,535,518.33

LIABILITIES:

LEGAL RESERVE	\$16,944,509.00
RESERVED FOR POLICY DIVIDENDS, TAXES, ETC.....	494,164.01
CONTINGENCY RESERVE	152,285.63
TOTAL LIABILITIES	\$17,590,958.64
CAPITAL STOCK	\$ 637,530.00
SURPLUS	1,307,029.69
ASSETS IN EXCESS OF LIABILITIES....	\$ 1,944,559.69
TOTAL	\$19,535,518.33

PROGRESS SINCE 1929

	ASSETS	NEW INSURANCE	IN FORCE	PAYMENTS TO POLICYHOLDERS
DECEMBER 31 1929	\$12,280,225	\$15,866,960	\$ 92,448,696	\$1,067,438
1936	\$19,535,518	\$19,321,672	\$116,433,002	\$1,894,810
	INCREASE 59%	INCREASE 22%	INCREASE 26%	INCREASE 78%

For General Agency opportunities in

PENNSYLVANIA MASSACHUSETTS MARYLAND OHIO
NEW YORK CONNECTICUT VIRGINIA WEST VIRGINIA

Inquire of D. E. Jones, Vice President

every month bettering the preceding month," Mr. Reilly said. "Indications are that 1937 will surpass our present expectations."

"Investment returns are improving. Income from our farm properties in 1936 shows a marked increase over 1935. Activity in real estate has resulted in satisfactory sales of acquired real estate."

Merger Meeting Postponed

The meeting of stockholders of the Trans-Mississippi Life of Kansas City, which was to have been held Tuesday of this week, has been postponed and probably will be held at the time of the regular annual meeting. The purpose of the proposed meeting was to act on a proposal to sell all assets of the company or to exchange all assets and business for stock in another company.

The Cosmopolitan Life Insurance Union of Greenville, Tex., has elected Louis I. Smith, president; S. P. Hart, vice-president; W. C. Shive, actuary and general manager; T. V. McDonald, secretary; W. D. Hart, treasurer, and Drs. Alvin Waller and K. C. Smith, medical directors. The company has written about \$1,000,000 in the eight months it has been in operation.

AMONG COMPANY MEN

Metropolitan Life Promotions

H. E. Welsh and Douglas Craig Are Made Assistant Managers of the Ordinary Department

The following appointments have been announced by the Metropolitan Life.

Harry E. Welsh and Douglas S. Craig have been made assistant managers of the ordinary department.

Rene H. Droz has been made manager of the record division to succeed William W. Hill, who retired Dec. 31.

The reinsurance division, formerly under the direction of Morris W. Torrey, third vice-president, who retired on Dec. 24, has been transferred to the ordinary department and will be under the supervision of Mr. Craig.

John B. Northrop, assistant manager of the home office claim division, has been appointed manager. He succeeds E. O. Wieters, assistant secretary, who retired on Dec. 31.

The home office service, maintenance

and operation divisions which were under the supervision of John C. Knight, third vice-president, who retired Dec. 31, have been reassigned as follows:

The superintendent of buildings, the engineering and electrical division and the supply and mail divisions will be under the supervision of E. O. McConahy, manager of home office service.

The commissary and laundry division and the gymnasium will be under the supervision of W. J. Harper, personnel officer, who will also maintain relations with the Madison Cooperative Association.

A. H. Good has been appointed general purchasing agent for the Metropolitan and will supervise all purchases and equipment rentals.

Mr. Craig is a son of Vice-President J. D. Craig.

W. Edwin White in Life End

Continental Casualty Superintendent Becomes Director of Agencies of Continental Assurance of Chicago

W. Edwin White has been appointed assistant vice-president and director of agencies of the Continental Assurance. Heretofore he has been superintendent of agencies of the commercial accident and health department of the Continental Casualty.

Mr. White thus becomes senior agency officer of the Continental Assurance, reporting direct to the executive agency head of the Continental Casualty and Continental Assurance, Roy Tuchbreiter. D. Miley Phipps, superintendent of agencies, will continue with Mr. White, in charge of stimulation and educational work with the field force.

Mr. White started with the Continental companies about nine years ago in the life department as an agent. He subsequently was transferred to the accident department and later became superintendent of the commercial accident and health business.

Mr. Tuchbreiter, although being a vice-president of both companies, heretofore has devoted most of his attention to Continental Casualty.

Neal on Western Trip

O. F. Neal, manager of the western division of the Ohio National Life, with headquarters at Omaha, was in Los Angeles last week, following a visit to the Texas, New Mexico and Arizona agencies of the company. He is returning by way of Oregon and Washington, and expects to arrive in Omaha about Feb. 1.

CHICAGO

CAPERTON AGENCY U. S. LEADER

Joe C. Caperton, Chicago general agent of the State Mutual Life, won the honor of having the leading general agency of his company last year. He led the field with an increase in paid volume of 80 percent and a paid premium increase of approximately 40 percent. This was accomplished with fewer agents, due to a systematic weeding out of unsuccessful producers. When Mr. Caperton took charge several years ago he instituted the policy of working closely with the agents, helping them budget their expenses and production that would be necessary to sustain them, but insisting that after a reasonable time they become self-sustaining. He has had great success with this plan, there being no more dead wood in the agency and the morale at a high level.

ROYER AGENCY IN CONVENTION

J. M. Royer, the new general agent of the Penn Mutual in Chicago who took charge of the old Patterson agency, presided over his staff for the first time

at the annual agents' convention held all day at the Edgewater Beach Hotel. In a brief talk Mr. Royer stated existing policies and methods would be continued. G. S. Brown, a leading producer and past president national chapter of C. L. U., gave a talk on business insurance with especial reference to selling a sole proprietor. Herman Kramer, veteran agent, spoke on "45 Years in Life Insurance Selling." Robert Lotz, agent and amateur magician, entertained with a magical act. The all day business session was devoted entirely to agents' talks, every member of the agency being called on and some 40 being present. They told how they produced business, how they approached a prospect, presented their plan and closed; how to sell young men, father and son, retirement income, use of options, educational policy, simple programming, etc. Leading producers sat at the head table at the annual dinner. The agency paid for approximately \$9,000,000 last year, being 15 percent ahead in paid volume.

BROKER THORSEN DIES AT 77

James B. Thorsen, 77 years of age, veteran Chicago broker who retired two years ago from James B. Thorsen & Sons, insurance brokerage firm, One North La Salle street, which he founded in 1900, died in his apartment at Evanston, Ill., of bronchial pneumonia. Two sons, Waldo and Ralph, continue his office. Another son, J. Mitchell, is a member of Thorsen & Ritchie, New York City insurance brokerage firm. Waldo, the president, has been with his father since 1914 and Ralph, vice-president, since 1919. Mr. Thorsen started in the life business, being a broker for a year or more, then becoming manager of the Prudential in Chicago as a member of the firm of Reeve & Thorsen. Later he was manager for the Equitable Life of New York at Chicago. Much of his business was life insurance, but he also wrote considerable fire and casualty business. Before entering insurance Mr. Thorsen was president of Thorsen & Cassidy, a sporting goods firm of Chicago.

EDWARDS AGENCY PLANS MEETING

The Rockwood S. Edwards agency of the Aetna Life in Chicago will hold a sales congress, luncheon and banquet in which members of the agency's "Big Ten" will have charge and participate, Jan. 21. President M. B. Brainard and other company officials will be present and will speak. Mr. Brainard will be the principal speaker at the evening banquet.

The morning sessions of the program will be devoted to talks by members of the "Big Ten"—leading producers of the agency during the various months of 1936, those who make the designation the most frequently being the presiding officers. The afternoon session will be devoted to round table discussion of life, accident and group problems. These will be in the form of "sales clinics," with an expert on each line to answer questions.

This phase of the program and the talks in the morning are being arranged by Paul M. Williams, personal producer of the Edwards organization. The social security plan of the federal government as it affects life insurance will come up for discussion. R. O. Amyx, another Edwards producer, outlining the way he believes the federal plan will assist life insurance.

Mr. Williams said that the sales clinics in the afternoon will consist of reenactment of actual canvasses that were successful, with the questions to follow. The closing address of the day will be given by Robert B. Collidge, superintendent of agencies.

W. H. Dallas, vice-president, will participate from the underwriter's angle. S. T. Whatley, vice-president in charge of agencies, may also attend.

John P. Collett, president and treasurer of Collett & Co. investment house, has been elected a director of the State Life of Indianapolis.

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E. P. Higgins
THE BOURSE PHILADELPHIA

LIFE SALES MEETINGS

Pacific Mutual Men on Tour

President Kemp and Home Office Officials to Visit Many Cities During January

President A. N. Kemp of the Pacific Mutual Life, Vice-president D. C. MacEwen and W. R. Hoefflin, western supervisor, left Los Angeles Jan. 3 on an agency convention trip. Meetings were held in Salt Lake City, Jan. 5 and in Denver Jan. 6-7 for the Denver, Billings and Deadwood agencies. Sessions are being held in Kansas City Jan. 8-9, attended by agents from St. Louis, Wichita, Omaha, Des Moines and Sioux City. The party will meet with agents from Minneapolis, St. Paul, Duluth, Fargo, Detroit, Milwaukee, Cedar Rapids, Springfield and Grand Rapids in Chicago Jan. 10-12.

Mr. Hoefflin will leave the party at Chicago, returning west. Accompanied by Rex N. Rafferty, eastern supervisor, Messrs. Kemp and MacEwen will continue east, holding meetings in Cincinnati Jan. 13-14 with agents from Cleveland, Erie, Pittsburgh, Columbus, Dayton, Huntington, Louisville, Indianapolis and Evansville, and at Farmville and Richmond, Va., with the Garland and Norfolk agencies Jan. 15-16.

In New York a Week

From Richmond the party will proceed directly to New York City, arriving there Jan. 17 and spending an entire week in that city. Meetings will be held with agents from Philadelphia, Allentown, Newark, Washington and Baltimore.

Leaving New York Jan. 24, the next stop will be at Tampa for a meeting with the Letcher agency, Jan. 26. The next day they will meet in Atlanta with agents from Charlotte, Anderson, Nashville, Tuscaloosa, New Albany, Memphis and Pensacola. They will then go to New Orleans to visit the Lyman agency Jan. 29. A gathering in Dallas is scheduled for the next day. Feb. 1 a meeting will be held in Fort Worth, Tex., with agents from Oklahoma City, Little Rock, Houston, Galveston and San Antonio.

Provident Life, N. D., Holds Agency Meeting at Spokane

Agency representatives of the Provident Life of Bismarck, N. D., held their annual sales conference in Spokane, Wash., with 70 general agents in attendance from Minnesota, North and South Dakota, Montana, Washington and Idaho.

J. I. Kinman, president Spokane chamber of commerce, gave the address of welcome. The headliner on the program was Frank M. See, St. Louis general agent New England Mutual Life. Speakers from the home office included F. L. Conklin, executive vice-president; Dr. W. H. Bodenstab, medical director; C. L. Young, general counsel; Joseph Dickman, manager of agencies; Fred Monley, agency secretary, and George Baird, chief underwriter.

Speaking at the sessions also were Robert T. Coutts, agency supervisor at Bismarck; Oscar S. Gullickson, supervisor at Billings, Mont.; Don Bradbury, resident supervisor at Spokane; Harry W. Faerber, general agent Minneapolis, and O. K. Bjornstad, representing the company at Billings, Mont. Dean McAllister of Spokane was a guest speaker at one of the sessions.

Following the convention, the entire party made an all-day trip to inspect the Grand Coulee Dam.

The Woodmen Central Life of Lincoln, Neb., life affiliate of the Woodmen Accident, has applied for entry into Oklahoma.

Convention Planned Jan. 11

Lincoln National Life Conclave Will Be Held in Chicago for All Its General Agents

General and assistant general agents in charge of 70 branch offices of the Lincoln National Life will convene Jan. 11-13 at the Edgewater Beach hotel, Chicago. The three-day session will develop and emphasize modern trends in the life business.

In addition, the following home office executives will be present: A. J. McAndless, executive vice-president; A. L. Dern, vice-president and director of agencies; C. F. Cross, second vice-president and manager of agencies; Dr. W. E. Thornton, second vice-president and medical director; W. T. Plogsterth, director of field service; J. J. Klingenberg, agency secretary; W. A. Jenkins, underwriting secretary; D. B. Semans, chief underwriter; F. W. Gale, J. P. Carroll, and A. H. Hammond, superintendents of agencies; W. C. Brudi, agency auditor; and A. C. Fishack, contract supervisor.

Holcombe to Attend

John Marshall Holcombe and John H. Jamieson, of the Sales Research Bureau, will conduct a major portion of the educational part of the sessions.

An informal dinner will be held the evening of the first day, at which time Mr. McAndless will speak on the "Company Operations in 1936." The national advertising program for 1937 also will be described.

A feature of the conference will be actual demonstrations by O. D. Douglas, Texas state general agent, and his associate, J. L. Lawrence, and by J. S. Braunig, general agent of St. Louis, of how Lincoln National Life representatives are selected and schooled.

Mr. Dern will preside at the meetings.

Takes 46 Agents to Home Office

Frank B. Schwentker, general agent at Phoenix, Ariz., of the Pacific Mutual Life, in charge of west Texas, New Mexico and Arizona, with offices also in El Paso and Albuquerque, visited Los Angeles with 46 members of his agency force, many accompanied by their wives, and held an all-day meeting at the home office, devoted to discussion of agency problems and plans for increased production of new business in 1937. On New Year's day the members of the group were guests of Mr. Schwentker at the Rose Bowl football game.

Girard Plans Convention

The Girard Life will hold its convention Jan. 21-23 at the Traymore Hotel in Atlantic City. The program will be featured by speeches, a Borden and Busse screen demonstration and a banquet.

Speakers will include President Albert Short, K. R. Miller, Life Insurance Sales Research Bureau; William Breiby, nationally known actuary, and Robert Dearden, president "United States Review." Dr. Philip Steinmetz, pastor St. Paul's Church, Elkins Park, Pa., also will speak.

Leading Producers in Conference

The Phoenix Mutual Life is holding special conferences Jan. 7-9 at the home office of about 20 of the company's leading salesmen, who qualified for the trip by their production records.

St. Louis Regional Meeting

KANSAS CITY, Jan. 7.—The Sam C. Pearson agency of the Northwestern Mutual Life will dispense with its regular meeting this year and join with the

St. Louis agency and agencies from Illinois, Indiana, and Kentucky in a regional meeting at the Coronado Hotel, St. Louis, Feb. 8-9. From the home office will be Percy H. Evans, vice-president and actuary; Edmund Fitzgerald, vice-president; Grant Hill, director of agencies; Harry Ricker, Nelson Phelps and L. J. Evans.

Monarch Life Cleveland School

A group of 30 representatives of the Monarch Life in Ohio, Michigan and western Pennsylvania gathered in Cleveland this week for a life insurance school under the direction of F. L. Merritt, superintendent of agencies. This is the sixth such school that the Monarch Life has conducted in the past two months. Just before the meeting in Cleveland, there was a school in Minneapolis. Other schools were held in Claremont, N. H., Springfield, Mass., Baltimore and St. Louis.

Bland on Program

Frank W. Bland, Pacific Coast manager of THE NATIONAL UNDERWRITER, has been added to the program of the Pacific National Life's agency conference in Salt Lake City this week. He will speak on "Selling Education."

State Farm Chicago Rally

The annual agency convention of the State Farm companies of Bloomington, Ill., will be held in Chicago in February instead of in the home office city. This convention has grown to such proportions that the facilities of Bloomington were found to be inadequate. The group consists of the State Farm Mutual Automobile, State Farm Fire and State Farm Life.

Cameron & Carroll Meeting

Cameron & Carroll, general agents for the Northwestern Mutual Life for central Wisconsin with headquarters at Oshkosh, Wis., will hold their annual

agency meeting in that city Jan. 11. Home office officials who will attend are Edmund Fitzgerald, vice-president, who will be the principal speaker at the banquet, and Nelson Phelps, assistant director of agencies who will be on the program of the sales meeting. District agents of the general agency will hold a meeting Tuesday to discuss plans for the coming year.

Home Meet at St. Louis

At the annual district meeting of the Home Life of New York in St. Louis William P. Worthington, superintendent of agents, was the principal speaker. The Kansas City, Peoria, Decatur and Alton agencies were represented. The St. Louis agency under Ray Martin reports an 18 percent increase in business during the last six months of 1936.

Insurance Picture Changes with Growth in Life End

B. D. Flynn, vice-president and actuary of the Travelers, estimates that in 1936 insurance companies of all classes paid out \$3,000,000,000 in benefits. For every \$5 paid out under policies insuring persons, \$1 was paid out under policies covering property. Before the depression, less than 10 years ago, only \$2 was paid under contracts covering human beings to each \$1 paid for property losses. The big shift he attributes partly to the growth of life and accident insurance, partly to the shrinkage in property values, partly to a reduction in the number of fires. Life insurance benefits accounted for one-third of the total paid out under all forms. Continued frequency of automobile accidents resulted in a larger amount being paid under automobile policies than under either personal accident or compensation contracts.

"Life Insurance and the Federal Tax Laws"—authoritative 44-page booklet 50c. Order from National Underwriter.

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Forty Agencies in the Leading
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**COMMONWEALTH
LIFE INSURANCE CO.
LOUISVILLE, KY.**

LIFE AGENCY CHANGES

Weingarten Named by Acacia

Former Equitable of N. Y. Man Appointed Jersey City Manager by Washington Company

JERSEY CITY, N. J., Jan. 7.—L. E. Weingarten, formerly assistant manager in charge of new organization at the Sundelson agency Equitable Life of



L. E. WEINGARTEN

New York in New York City, has been appointed manager here by the Acacia Mutual Life.

Mr. Weingarten went into the insurance business in 1931 with the Metropolitan Life. He went to the Continental American Life in 1934 as assistant manager under Max J. Hancel. When Mr. Hancel's partner, M. J. Lauer, was appointed manager of a separate office uptown, Mr. Weingarten went to the Equitable.

In the short time that he has been head of the Jersey City office he has added six new agents and closed the year with \$400,000 in applications. Four of his agents have registered for the C. L. U. study course, which they have already begun.

Hunter Joins National Life

Callaghan Becomes Vice-president of Lloyd Lynch Agency — John Lynch Is Promoted

William W. Hunter, vice-president of the Lloyd J. Lynch agency of the John Hancock Mutual Life in Minneapolis, has been appointed general agent of the National Life of Vermont in Minneapolis.

Robert R. Callaghan, who has been associated with the Lynch agency for four years as office manager, will succeed Mr. Hunter as vice-president. He will be assistant to the general agent and general business manager.

John P. Lynch, formerly field representative of the Lynch agency, has been appointed sales supervisor in direct charge of the agency salesmen throughout Minnesota.

Before he joined the Lynch agency four years ago, Mr. Hunter was in the investment business, representing the Wells-Dickey Company and the Webb-Hunter Company.

Wilson Oklahoma Supervisor

T. R. Wilson, formerly of Alva, Okla., has been appointed supervisor for the Great Southern Life with headquarters at Oklahoma City.

Thierbach Succeeds Dibble

Veteran Cleveland General Agent of Northwestern Mutual Life to Become Personal Producer

Charles C. Dibble, whose Northwestern Mutual general agency with headquarters in Cleveland has produced a large volume of high-quality life insurance consistently for 21 years, will retire as general agent at the end of February. He will continue as a personal producer to serve a large personal clientele.

Russell P. Thierbach, since 1929 assistant director of agencies of the Northwestern Mutual, has been appointed successor to Mr. Dibble. Mr. Thierbach is well known for his "time control" activities and his book, "Why Not Try It?"

Seeks More Freedom

Mr. Dibble's decision to return to field work is based upon his desire to have more freedom while he is still a virile and active solicitor.

Mr. Dibble's record is outstanding. He started selling life insurance when he was 30 years old, previously having been employed as a traveling freight agent for a railroad. Born and educated in Milwaukee, he commenced his life insurance career in the Toledo, O., agency of the late Charles H. Parsons, afterward director of agencies of the Northwestern Mutual. Mr. Dibble was soon among his company's million dollar producers, a feat performed by relatively few young agents a quarter of a century ago.

General Agent in 1916

In 1916, with the late John S. Marsh as partner, he became general agent for 23 counties in northeastern Ohio with headquarters in Cleveland. The early and exceptional success of this partnership was due in large part to Mr. Dibble's personal production during the years when the agency was being built. The peak production was reached in 1920 when the agency's paid business totalled nearly \$8,000,000. After the dissolution of the partnership at the end of 1923, during which year nearly \$7,500,000 was reported, Mr. Dibble continued to operate the greater Cleveland agency, relinquishing the outside territory to his former partner.

Born in Milwaukee, May 9, 1895, Mr. Thierbach's business experience has been continuously in the employ of the Northwestern Mutual since June, 1911,

over a quarter of a century. Starting in the secretary's department at the home office, he soon became identified with the home office general agency under Colonel Fuller where he rose to production manager. Meanwhile he qualified for higher appointments through Marquette and Wisconsin University extension courses, the Carnegie Institute of Life Insurance course in 1920, and more recently the Chartered Life Underwriter designation. For years Mr. Thierbach was instructor in insurance at the school of commerce at Marquette University.

As production manager for the McMillen general agency in Milwaukee, Mr. Thierbach developed the training course which had as its first student Victor M. Stamm, the present Milwaukee general agent. In 1924 he took a prominent part in the writing of the company's educational course. From 1924 to 1927 he served as secretary-treasurer of the association of agents. Since 1929 he has been assistant director of agencies, having at various times served as supervisor in all parts of the field in which the Northwestern Mutual operates. During 1936 his territory was the eastern seaboard which culminated in his being in charge of the company's New York City meeting this week for agents of the New England, middle and south Atlantic states.

Penn Mutual Opens Two New General Agencies in Midwest

Two new general agencies have been established by the Penn Mutual, one at Wausau, Wis., with Henry J. Casperson as general agent, and the other at Fargo, N. D., H. J. Gilbertson, general agent.

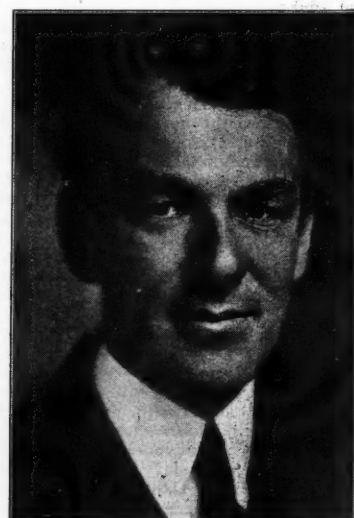
Mr. Casperson joined the company at Denver in 1932, from whence, after having made an excellent record, he was transferred to the Cleveland agency and was sent to its Youngstown office to build a unit. In its first 17 months the unit paid for a million of business on about 400 lives. Last spring he was brought to Cleveland, with the title of sales production manager, and given supervision of the Cleveland, Lakewood, Canton and Akron units, in addition to retaining direction of the Youngstown organization.

Mr. Gilbertson joined the Penn Mutual in September, 1934, with headquarters at Fargo, his territory including North Dakota and the western part of Minnesota. His previous experience was with one of the major companies, beginning, in February, 1924, as field

Change in Cleveland Agency



RUSSELL P. THIERBACH
New Cleveland General Agent
Northwestern Mutual



CHARLES C. DIBBLE
Retiring Cleveland General Agent
Northwestern Mutual

assistant, and district manager for the southern half of North Dakota, followed by district manager in charge of the north half of the state. In the six years of that service he increased his district's quota from \$750,000 to \$2,500,000, while continuing to be a large personal producer. For several years he has been a prominent figure in the local and state life underwriters associations of North and South Dakota.

Anderson to Pasadena

A. M. Anderson, well known for his writings on life insurance salesmanship, has been transferred from the educational department of the Occidental Life of California to general agent at Pasadena, in charge of South Pasadena, Alhambra, San Gabriel, Pomona, Covina and other nearby cities. He is a past president of the Life Underwriters Association of Los Angeles.

Agency Now Clithero-Wynne

E. D. Clithero, general agent at Topeka, Kan., of the Home Life of New York, who has been with the company 25 years, will hereafter share agency responsibilities with Roy Wynne, former coach and athletic director of Washburn College at Topeka, who has been with the Equitable Life of New York six years. The new agency will be known as Clithero-Wynne.

Great-West Changes

The Great-West Life made two agency appointments necessary by the death of R. E. Hatcher, former partner in Hatcher Brothers State Agency, which represented the Great-West in North Dakota for the past twenty-five years. J. S. Hatcher, surviving partner and H. O. Anderson, formerly district manager for the company at Detroit Lakes, Minn., have been appointed jointly as branch managers for North Dakota.

Mr. Hatcher will have charge of the office at Grand Forks as in the past. Mr. Anderson takes over at Fargo.

Swanson With Prudential

C. L. Swanson has been appointed assistant manager of the Prudential at San Francisco under O. O. Orr, general agent. He will be in charge of special agents and appointment of additional agents in San Francisco. Mr. Swanson was formerly general agent of the Minnesota Mutual Life in San Francisco and more recently was with the Karl L. Brackett agency of the John Hancock Mutual Life.

Davis Ellis Leaves Field

Davis W. Ellis, who was to open a new Chicago office for the Mutual Benefit Health & Accident and the United Benefit Life, has resigned to join the Fidelity Investment Association with temporary headquarters in Chicago. Mr. Ellis was formerly with that organization before he joined the Monarch Life in Chicago as Illinois manager. He has also resigned as secretary of the Chicago Accident & Health Association.

Adopt Individual Names

C. Truman Redfield and John S. McGurk, who have been operating as Redfield-McGurk, with Mr. Redfield as Illinois manager and Mr. McGurk as Indiana manager Mutual Benefit Health & Accident and United Benefit Life, will now operate under their own names. The Chicago office will be known as Redfield Associates. Mr. McGurk was formerly located in Chicago with Mr. Redfield and three years ago went to Indianapolis to open up the new office.

Cloe Named at Ottumwa

Victor R. Cloe has been appointed general agent of the Yeomen Mutual Life at Ottumwa, Ia. He has been in the business for 14 years, both in home

Buffalo Manager



CLARENCE B. METZGER

Clarence B. Metzger, superintendent of the Edward A. Woods Company agency of Pittsburgh, has been appointed manager at Buffalo for the Equitable Life of New York. Mr. Metzger is well known to the business for the research that he has conducted. He was one of the speakers on the managers section program at the Boston convention of the National Association of Life Underwriters. He joined the Woods company 12 years ago as assistant to the late Edward A. Woods. Many pioneering steps taken by the Woods company in the past 10 years have been due to his research work. He is director of the Pittsburgh Life Underwriters Association. He was one of the first men to earn the C. L. U. designation in the country and is president of the Pittsburgh C. L. U. chapter.

During the last four days of 1936, agents of the Edward A. Woods Company devoted their production to Mr. Metzger.

The Woods company recalls that it has been the training ground for many important insurance men who are now operating elsewhere. Among these are John A. Stevenson, executive vice-president of the Penn Mutual; A. E. Patterson, vice-president and agency manager of the Penn Mutual; J. E. Knott, an agency manager at Providence, R. I.; A. F. Spalding, assistant to the agency vice-president of the Equitable Life of New York; P. F. De F. Hicks, assistant manager group department Equitable Life of New York; Lothair Smith, assistant treasurer Equitable Life of New York; W. L. Blackadar, assistant actuary Equitable Life; Dr. A. L. Sherrill, medical examiner in Chicago.

office work and as a general agent. He will maintain offices at 20 Langdale building.

Stevenson Is Duff's Aid

PITTSBURGH, Jan. 7.—Frederick J. Stevenson has been named assistant to William M. Duff, president of Edward A. Woods Co., Pittsburgh agency of the Equitable Life of New York.

Mr. Stevenson has been with the Woods company for 15 years and in his new position will be responsible for sales production.

He is a graduate of Pennsylvania State College and one of the first C. L. U.'s in the country. Long active in insurance circles locally, he is teacher at the University of Pittsburgh and last year was chairman of the membership committee of the Pittsburgh Life Underwriters Association.

D. E. McDonald Resigns

D. E. McDonald has retired as Indianapolis district manager of the Life

of Virginia and will spend the winter in Florida. He is president of the Indianapolis Association of Life Underwriters.

Mr. McDonald has completed 42 years of active service as a life insurance agent and manager. He served as manager for the Life of Virginia in Norfolk, Va.; Wheeling, W. Va.; Terre Haute, and Indianapolis. He will retain the title of associate manager of the Indianapolis district.

He will be succeeded as Indianapolis manager by Frank Grovenberry, who began his insurance career in Indianapolis 13 years ago as an agent under Mr. McDonald. He has served nine years as district manager in Cleveland.

Ziegler to Fort Dodge

Hugh Ziegler, Marshalltown, Ia., general agent for the Central Life of Iowa, has been transferred to Fort Dodge as general agent.

Life Agency Notes

W. D. Morton, formerly general agent at Sioux City, Ia., for 14 years, is now with the Denver agency of the Mutual Benefit Life.

Emerson Carey, Jr., of Hutchinson, Kan., formerly with the Carey Salt Company, has opened a local office for the Columbus Mutual Life in the Hutchinson State Bank building.

F. G. McNamara has been appointed supervisor of the Hugh M. Holmes general agency of the Lincoln National Life in Milwaukee. He has been with the Lincoln National for about a year and a half and previously was with the New York Life for five years.

NEW YORK

SUPT. PINK'S NEPHEW AN AGENT

Porter F. Moran, a nephew of Superintendent Pink of the New York department is now a life insurance agent, having joined uptown branch of the F. W. Pennell agency of the State Mutual Life in New York City, which is managed by Timothy W. Foley. Mr. Moran canvassed the situation thoroughly before deciding to embark on a life insurance career and is enthusiastic about its possibilities. Like his distinguished uncle, he is a graduate of St. Lawrence University.

* * *

BRAINARD AT AETNA PARTY

President M. B. Brainard and other home office executives were guests at the annual Christmas party of the Luther-Keffer agency of the Aetna Life in New York City. In an informal talk, Mr. Brainard outlined prospects for the coming year, which he considered to be very good. He paid particular tribute to J. S. Turn, resident vice-president of the Aetna Casualty, also a guest, who retires in a few months.

R. H. Keffer was toastmaster and K. A. Luther presented the awards to the five agents who qualified as regionnaires by Christmas. Dancing followed the dinner.

* * *

J. J. GORDON AGENCY MOVES

The John J. Gordon agency of the Home Life of New York in New York City has moved to 99 John street. Previously he was located in the same building with the home office.

* * *

NEW YORK AGENCY RECORDS

The J. S. Myrick agency of the Mutual Life of New York in New York City had a total paid business for the year of \$22,360,672 as against \$33,800,633 for 1935. The December figure was \$2,189,514 as against \$3,910,727.

The Charles B. Knight agency of the Union Central Life in New York City paid for \$20,990,644 last year as against \$27,415,427 for 1935. December business totaled \$2,122,070 as against \$2,375,809.



Combining the resources of many for the benefit of the unfortunate is a simple definition of Life Insurance service.


Administration of contributions made by policyholders is a sacred responsibility.

One thing, however, is vital for realization of the greatest possible achievement.

Organized management must be aware of its obligation to support actively those who are responsible for developing and concentrating individuals' resources. Representatives of our company have this assurance.

**ST. LOUIS MUTUAL
LIFE INSURANCE CO.**

ST. LOUIS, MISSOURI



FOR AGES TO COME

The GENERAL MUTUAL LIFE INSURANCE CO.

VAN WERT, OHIO

C. M. PURMORT, President

● GENERAL MUTUAL LIFE Agents' and General Agents' contracts still available in Ohio and Illinois. Liberal commissions. Attractive renewals. Unusual sales promotion. Close cooperation. WRITE FOR COMPLETE DETAILS. Address above.



Outstanding
by any
STANDARD
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Equitable Life
OF NEW YORK

Pave the Way—An accident policy sale is the easiest way to get acquainted with your prospect and pave the way for other lines. For suggestions that sell read *The Accident & Health Review*, A-1946 Insurance Exchange, Chicago. Sample 10c.

NEWS OF LIFE ASSOCIATIONS

Shape Ambitious Law Plans

Southeast Missouri Association Meets With Legislators on Recommended Amendments

The Southeast Missouri Life Underwriters Association met at Cape Girardeau with state legislators from the area to discuss life insurance legislative problems. The association adopted the report of the committee on legislation, composed of H. C. Johnson, chairman; A. S. Reed and W. E. Walker, embodying this program:

1. Permanent qualification for agents of legal reserve life insurance.
2. A qualification board of experienced, qualified underwriters selected from the state association with the insurance superintendent as a member, no agency managers or general agents on the board.
3. An insurance code impartially administered.
4. A rebating section in the code.
5. Mutual benefits, burial associations and assessment organizations brought under supervision of the department.
6. Laws regarding insurance in relation to bankruptcy brought up to date with a suggested amendment: "That legal restrictions be removed from single premium policies in force more than three years, and on annual premium policies not to exceed \$1,000 annual premiums, all where made payable to named beneficiaries." This is approximately the New York law.

Other Changes Proposed

7. Laws affecting life insurance and trusts brought up to date. The association recommended an amendment to exempt \$5,000 insurance to wife and \$1,000 for each child under 18 as far as debts of beneficiaries go even though the insurance is not left in trust by insured. This would be an extension of the homestead law. Also that life companies consider writing their policy contracts so that funds made payable in a single sum will be trust funds until designated otherwise by the named beneficiaries. The aim of this is to grant to the wife and children as beneficiaries the same privileges granted to insured.
8. Investment funds for minors: The present law to be amended to permit investment by guardians for wards in contracts issued by legal reserve life companies and which will not go past the age of legal maturity of minors on contracts and will return for any ward, whether minor or otherwise, the equivalent of the original deposit or more. It is the intention of this recommendation to make life contracts a legal mode of investment for funds of minors and incompetents. (This recommendation, the committee explained, has the effect of limiting investment to single premium life insurance, short-term endowments and cash refund annuities.

Plan Chair of Insurance

9. Establishment of a chair of insurance in the school of business and public administration, University of Missouri, so courses in insurance will be available.

This program is substantially that which will be backed by the Missouri Association of Life Underwriters, whose legislative committee chairman is Charles Scott, Kansas City.

Independence, Kan.—Riley G. Cunningham, president of the Kansas association, and Ralph Pfremmer, general agent Guarantee Mutual Life, both of Wichita, attended the last meeting. Mr. Cunningham, who is manager of the Metropolitan Life, expects to meet with the Pittsburg association this month in his program to visit all associations in the state.

Florida Congress Program

Company Officials, National Association Trustees and Woman Producer to Talk at St. Petersburg

The program has been completed for the annual meeting and sales congress of the Florida Association of Life Underwriters in St. Petersburg, Jan. 14-15. The New York Life's agency directors meeting will be held prior to the association gathering and it is expected that some of that company's leaders will stay over for the congress. The annual meeting and election of officers of the state association will be held on Jan. 14 and Jan. 15 will be devoted to the sales congress. A banquet and dance will conclude the meeting and the chief banquet speaker will be a federal government representative who will talk on the social security act. The sales congress program follows:

MORNING

"Selling Aids for Life Underwriters," Sumter L. Lowry, board chairman Gulf Life.

"Conservation," Karl Ljung, assistant secretary, Jefferson Standard Life.

"Visual Selling," John Witherspoon, general agent John Hancock Mutual Life, Nashville, and trustee of the National association.

AFTERNOON

"Modern Fashions in Selling," Mrs. Herbert Felkel, Prudential, St. Augustine, Fla.

"Why Floridians Will Buy Life Insurance in 1937," Carleton Stevens, general agent Connecticut Mutual, Macon, Ga.

C. J. Zimmerman, general agent Connecticut Mutual, Newark, and National association trustee. (Subject to be announced later.)

Mrs. Felkel spoke before the women's section at the National association meeting in Boston. Mr. Stevens is chairman of the state and regional committee of the National association.

Call on References in App, F. S. Goldstandt Emphasizes

NEW YORK, Jan. 7.—Use of references given on applications as a means of getting in to see new prospects was urged by Fred S. Goldstandt, general agent, Equitable Life of New York in New York City, who addressed the New York City Life Underwriters Association's final business - getter meeting.

Mr. Goldstandt's procedure is to call on each of the references, and by saying that he is there to see the man "on account of Mr. (the applicant)," he has no trouble getting past secretarial barriers and before the reference on a very good basis. He pointed out that the method must be used diplomatically and said that in his entire use of this method he had never experienced any unpleasant repercussions.

Another hint which aroused much interest was Mr. Goldstandt's use of the back of his checks for a brief life insurance message, which has led to quite a sizable amount of business. The slogan he uses is, "If you need to save, fix it so you must."

All Set in Philadelphia

PHILADELPHIA, Jan. 7. — The golden jubilee celebration of the Philadelphia Association of Life Underwriters Jan. 14 gives every indication of being an outstanding event. Approximately 100 outstanding citizens of Philadelphia and Pennsylvania will be among the guests at the dinner to be held what life insurance has done for the community during the past 50 years.

The president of every company having a representative in Philadelphia also has been invited to attend and so far

16 have sent in their acceptances. A reception to the company officials and their general agents will be held prior to the dinner.

The list of speakers headed by Thomas I. Parkinson, president of the Equitable Life of New York, includes Secretary of Commerce Roper and Congressman Dewey Short of Missouri.

John W. Clegg, Penn Mutual Life, past president of the National Association of Life Underwriters, will be toastmaster.

* * *

Promote Denver Convention

DENVER, Jan. 7.—The national convention attendance committee of the Colorado Association of Life Underwriters is mailing invitations and descriptive circulars to general agents and associations. The General Agents Association here has been asked to forward suggestions to general agents of their companies to promote production contests for convention attendance.

* * *

San Francisco—Indications are that establishment of a "Quarter-Million Dollar Club" will be carried to completion, following approval of the plan by the directors and general agents and managers. The organization meeting will be held Jan. 22. It is expected this meeting will take the place of the regular annual "Leading Producers' Dinner."

* * *

Kansas City—Frank T. McNally, general agent Massachusetts Mutual, Minneapolis, will speak to the Life Underwriters Association here Jan. 8.

* * *

Dallas—A membership drive will be staged in January. R. L. Thomas, chairman, hopes to increase the roster 25 percent.

* * *

Northern New Jersey—Applications of 44 new members will be acted upon at the luncheon meeting Jan. 11 in Newark. J. Harry Wood, agency controller John Hancock Mutual Life, will speak.

* * *

Richmond, Va.—R. P. Thierbach, assistant agency director Northwestern Mutual Life, who is going to Cleveland to take charge of the company's agency there, addressed the association.

* * *

Boston—Vincent B. Coffin, superintendent of agencies, Connecticut Mutual Life, will speak at the Jan. 21 meeting.

* * *

Shreveport, La.—Bernie Fane, Guardian Life, has been elected vice-president to succeed Merton Lindsay, resigned. Mr. Fane has been active in association affairs for a number of years.

Six "Millionaires" in Two Agencies of Equitable, N. Y.

Lou Behr, "millionaire" agent of the Lustgarten agency, Equitable of New York in Chicago, appears to have led the country in 1936 with well over \$2,000,000 paid business. Final figures of the Equitable are not available, but apparently John Morrell of the same agency with something over \$1,500,000 paid was second country-wide.

Two Chicago agencies of the Equitable contributed six "millionaires" during the year, a third one in the Lustgarten agency having been Isador Stein, with something over \$1,000,000. Harry T. Wright, associate manager Woody agency, Chicago, and "millionaire" for many years consecutively, paid for approximately \$1,500,000.

Dick Hanley, former Northwestern University football coach, who flashed into million dollar production from his entrance into the life insurance field, paid for approximately \$1,250,000, and M. Lee Albers of the same agency for well over \$1,000,000. The latter was a large producer of group insurance. Mr. Morrell in the past consistently led the entire Equitable organization for a number of years. Harry Steiner of the Lustgarten agency, a "millionaire" on several occasions, paid for about \$750,000 last year.

"Life Insurance and the Federal Tax Laws"—authoritative 44-page booklet 50c. Order from National Underwriter.

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

Policies Revised and Clarified

Massachusetts Mutual Adopts Documentary Form for All Contracts, Increases Maximum Limits

Introduction of the "documentary" form of policy replacing the old four-page, single sheet form, rephrasing of both life and annuity contracts and higher maximum policy limits are announced by the Massachusetts Mutual Life. The first page of the new, very attractive form states only essentials in simple, concise style, contract details being covered in succeeding pages grouped in logical sequence. Disability and accidental death benefit riders are handled as pages of the policy.

The retirement income policy (heretofore "Insurance with Income") and the retirement annuity policy, will contain an additional retirement option under which the annuitant (or insured) may elect income during joint lifetime of himself and wife, for example, with provision that two-thirds of such income shall continue to survivor at death of either. This option has also been made available to old policyholders.

The increase in limits gives the age group 21-50 increase from \$175,000 to \$250,000. Minimum age limit for waiver of premium provision has been extended to attained age 15; this formerly was age 21. President B. J. Perry states that these increased limits have been effected mainly through increased reinsurance facilities, and that risks for the full amounts can be accepted only in case of applicants standard in every respect, especially in the older age group.

Limits as to female risks have been extended so they are identical with the limits for males. Family maintenance and term insurance on women applicants is warranted only in rare instances and the family maintenance contract, with its term element and liberal conversion privileges is confined to risks of the highest grade, he points out.

Single premium limits remain unchanged, as do rules and age limits governing disability income provisions. Disability waiver will be considered only to the extent of the retention limits of the Massachusetts Mutual. Juveniles will now be considered at rated age 10 instead of attained age 10 as heretofore. The new limits are:

Life, Endowment and Insurance with Income (Male and Female)				
Rated Ages	Retention	Com. pany	2nd Reins. Com. pany	Total
10-12.....	\$20,000	\$10,000	\$10,000	\$40,000
13-14.....	50,000	15,000	15,000	80,000
15-20.....	75,000	15,000	15,000	105,000
21-50.....	100,000	75,000	75,000	250,000
51-55.....	75,000	50,000	50,000	175,000
56-60.....	50,000	50,000	50,000	150,000
61-(65).....	25,000	12,500	12,500	50,000

(Attained Age)

Term	Rated	Retention	Com. pany	2nd Reins. Com. pany	Total
20.....	\$50,000	\$15,000	\$15,000	\$15,000	\$80,000
21-55.....	50,000	25,000	25,000	25,000	100,000
56-63.....	15,000	10,000	10,000	10,000	35,000

After age 58 the term-automatic life plan is limited to such periods as would bring about conversion at rated age 65 or younger. 10 and 5 year term not issued beyond rated ages 55 and 60 respectively.

Family Income and Family Maintenance (Face Amount)				
10 Year Plan				
20.....	\$30,000	\$15,000	\$15,000	\$60,000
21-50.....	50,000	20,000	20,000	90,000
51-55.....	25,000	15,000	15,000	55,000
15 Year Plan				
20.....	25,000	15,000	15,000	55,000
21-50.....	45,000	20,000	20,000	85,000
20 Year Plan				
20.....	20,000	15,000	15,000	50,000
21-45.....	40,000	20,000	20,000	80,000

The phraseology changes were made for the sake of clarity. In corporation policies there now is a limited form of settlement options "B" and "D," payments to be made thereunder for a maximum period of ten years and to a corporate beneficiary only. These options may be attached to corporation policies already in force. Provisions for waiver only and for the accidental death benefit may be secured with these policies.

Premiums and dividends on the new five year term policies are identical with five year term automatic life.

Other Changes Made

In the single premium instalment refund life annuity the interest rate for commutation of stipulated instalments is: Commutation by annuitant, 5 percent (old rate 4 percent) and commutation by beneficiary, 3½ per cent (old rate 4 percent). This effects reduction in commuted value (cash value) available to annuitant, and an increase in commuted value available to beneficiary.

All the new A. D. B. riders provide the amount of benefit "will be added to and become a part of the proceeds of the policy, said proceeds to be paid as provided by the policy or any amendments thereto." The old A. D. B. riders provided that the amount of the benefit would be paid "in addition to, and in the same manner, and to the same beneficiary or beneficiaries as the other proceeds of this policy."

Federal Raises Its Rates

Advance of About 5 Percent on Non-Par, Some Adjustment of Par Scale

The Federal Life of Chicago has advanced its non-participating life and endowment rates to a level about 5 percent higher, and has made some adjustment of participating rates. The increases generally range higher at older ages. Settlement option tables also have been revised, a lower interest assumption being used. The changes are largely due to the low prevailing interest level.

A number of new forms are shown in the new, thoroughly revised and modernized rate book which is being distributed to agents. Heretofore the Federal issued only continuous premium endowment annuity contracts in two forms, maturing at ages 60 or 65. A companion policy has been brought out maturing at age 55. Also, the Federal now is writing 20 premium endowment annuities at ages 60 or 65.

Change to Lump Sum

The continuous premium endowment at 65 has been modified. Whereas heretofore it provided for payment of proceeds in 120 monthly instalments certain, the provision has been changed to a lump sum settlement at maturity, with election of an income option permissible.

The Federal's policy forms have been clarified, standardized language being incorporated, the changes not being material.

In the field of annuities, where the Federal in the past has issued only the single premium life annuity, there has been introduced also a single premium cash refund annuity, nonparticipating, and two elective annuities, single premium and annual premium, nonparticipating.

In the past the endowment annuities have carried rates the same for both men and women. The scale has been

changed, rates for men and women being different, and calculated on a special basis, not the four-year differential used by most companies today.

The new rate book was designed and calculated under direction of L. D. Cavanaugh, executive vice-president and actuary. It is printed on India paper, all forms for a given age being grouped. Material formerly incorporated in a separate manual now is in the rate book. There is a twopage outline which gives principal underwriting rules as to limits of age and amount, etc. A section is devoted to digests of coverage given by various forms. The classification manual is embodied, there having been change in the method of rating risks substandard due to medical or occupational impairments. Henceforth an extra premium will be added to the regular rate in all cases. Illustrative rates for the new forms are:

New Rates Are Given

Age	NP	End. at 85	20 Yr. Pay	20 Yr. End.	End. Ann. at 65 (Men)
15....	NP	\$13.12	\$19.41	\$41.63	\$14.40
16....	P	16.70			
20....	NP	14.65	21.29	41.85	16.37
21....	P	18.09		47.68	
25....	NP	16.53	23.44	42.05	18.98
26....	P	20.14		48.15	
30....	NP	18.93	25.99	42.41	22.63
31....	P	22.35		48.83	
35....	NP	22.13	29.21	43.21	27.82
36....	P	26.35		49.35	
40....	NP	26.41	33.27	44.73	35.35
41....	P	30.94		51.48	
45....	NP	32.13	38.39	47.31	55.49
46....	P	37.08		54.22	
50....	NP	39.75	44.93	51.49	78.62
51....	P	45.45		58.81	
55....	NP	50.01	53.48	58.06	124.86
56....	P	56.93		66.36	
60....	NP	64.00	65.04	68.19	

NP—Nonparticipating.
P—Participating.

Berkshire Life Announces Its New Family Protection Plan

The Berkshire Life announces a new policy—the Berkshire "family protection plan." It is designed especially to fulfill with certainty the necessary re-

quirements of financial security for the family should the salary of the father be permanently stopped.

The new plan guarantees in event of the death of the father within the specified period: (1) A monthly income payable to the family for 10, 15 or 20 years as may be designated according to the present age of the children. (2) The payment to the family of the full face amount of the policy at the end of the specified monthly income period.

In effect, upon death within the specified period, the plan guarantees a 12 percent return on the face amount of the policy for 10, 15 or 20 years respectively and the keeping of the face amount of the policy intact until the close of the income period, then paying it in full to the family.

New John Hancock Dividends

Scale for 1937 Boosted About 10 Percent; Preferred Risk Increases 40 Percent

The John Hancock Mutual Life was reported recently to have substantially increased its dividend scale for 1937, the average level being about 10 percent higher than the 1936 scale on all limited payment life, endowment, term, modified life and retirement fund policies, and the low premium preferred risk whole life form showing an average increase of about 40 percent.

Due to Good Experience

Although the interest factor was reduced the company has experienced such favorable mortality that it has overcome the interest reduction except in extreme cases of high reserve. The interest rate is 3.75 percent on trust funds and 3.5 percent on dividends left on deposit. The following table is an illustration of the new schedule applied in reduction of premiums and shows the net payments for certain policy years and total net payments for 10 and 20

OPPORTUNITY for Managers in Desirable Territory

FOR qualified men there is a liberal and profitable manager's contract. The men chosen will work under the direct supervision and assistance of the Home Office. They will be given every possible help to insure their success with this strong 30 year old company.

This company writes all complete and modern forms of life insurance at a low net cost. Policies include participating, non-participating, disability and double indemnity.

If you are interested in a manager's contract that offers a real opportunity write

S. M. Cross, President

**COLUMBIA LIFE
INSURANCE CO.**

Cincinnati, Ohio

years on a few more prominent contracts:

Endowment Age 85		Total	
Age	Ann. Prem. 2 Yr. 10 Yr. 20 Yr. Years	10 Years	20 Years
15	16.10 12.50 11.91 11.03	126.02	240.46
16	17.06 13.42 12.78 11.81	135.03	257.66
17	17.78 14.12 13.43 12.39	141.81	270.59
18	18.16 14.48 13.77 12.70	145.38	277.42
19	18.57 14.88 14.14 13.04	149.22	284.77
20	18.99 15.28 14.52 13.38	153.17	292.31
21	19.43 15.70 14.92 13.74	157.32	300.23
22	19.89 16.14 15.33 14.12	161.62	308.47
23	20.39 16.63 15.79 14.53	166.35	317.50
24	20.89 17.14 16.24 14.94	171.04	326.50
25	21.43 17.62 16.73 15.38	176.10	336.18
26	22.00 18.17 17.24 15.85	181.47	346.47
27	22.59 18.74 17.78 16.34	187.03	357.12
28	23.21 19.34 18.34 16.86	192.85	368.30
29	23.88 19.98 18.94 17.41	199.14	380.37
30	24.56 20.63 19.56 17.98	205.53	392.63
31	25.29 21.34 20.22 18.59	212.42	405.89
32	26.06 22.08 20.92 19.24	219.55	419.80
33	26.89 22.87 21.67 19.94	227.47	434.85
34	27.75 23.70 22.46 20.67	235.59	450.51
35	28.66 24.58 23.28 21.44	244.15	467.01
36	29.61 25.49 24.15 22.25	253.10	484.29
37	30.63 26.47 25.08 23.12	262.72	502.91
38	31.72 27.52 26.07 24.07	273.01	522.82
39	32.87 28.62 27.12 25.06	283.97	544.35
40	34.09 29.80 28.24 26.12	295.56	566.15
41	35.39 31.05 29.43 27.25	307.65	590.02
42	36.77 32.38 30.69 28.46	320.69	615.37
43	38.24 33.79 32.05 29.75	334.60	642.45
44	39.80 35.29 33.48 31.12	349.35	671.18
45	41.47 36.90 35.02 32.60	365.18	702.04
46	43.25 38.61 36.66 34.17	382.04	734.92
47	45.14 40.44 38.41 35.86	399.97	769.94
48	47.17 42.38 40.29 37.66	419.24	807.60
49	49.31 44.44 42.27 39.58	439.56	847.35
50	51.62 46.66 44.41 41.64	461.51	890.28
51	54.08 49.03 46.70 43.85	484.88	936.06
52	56.70 51.55 49.13 46.20	509.80	984.85
53	59.49 54.24 51.67 48.69	536.40	1,037.55
54	62.46 57.06 54.34 51.34	564.80	1,095.10
55	65.62 60.01 57.14 54.14	595.10	1,157.55

20 Payment Life		Total	
Age	Ann. Prem. 2 Yr. 10 Yr. 20 Yr. Years	10 Years	20 Years
25	29.84 25.67 24.12 21.65	254.11	482.30
30	32.55 28.28 26.57 23.86	279.59	531.02
35	35.84 31.44 29.55 26.59	310.54	590.42
40	39.92 35.37 33.27 30.15	349.04	666.17
45	45.17 40.42 38.10 34.60	398.73	761.17
50	52.17 47.16 44.59 40.83	465.23	891.22
55	61.80 56.44 53.61 49.57	557.13	1,071.88
60	75.46 69.60 66.48 62.15	687.82	1,329.91

20 Year Endowment		Total	
Age	Ann. Prem. 2 Yr. 10 Yr. 20 Yr. Years	10 Years	20 Years
25	42.95 43.01 40.11 35.37	422.43	798.70
30	48.58 43.63 40.72 35.98	428.57	810.93
35	49.53 44.55 41.64 36.88	437.78	829.23
40	51.05 46.05 43.12 38.36	452.74	859.04
45	53.70 48.59 45.61 40.85	477.95	909.22
50	58.15 52.89 49.86 45.06	520.79	994.44
55	65.49 59.97 56.84 52.01	591.34	1,134.78

Preferred Risk—Whole Life		Total	
Age	Ann. Prem. 2 Yr. 10 Yr. 20 Yr. Years	10 Years	20 Years
20	16.57 12.35 11.68 10.64	124.77	236.04
25	18.53 14.23 13.43 12.18	143.10	270.80
30	21.02 16.62 15.65 14.12	166.33	314.79
35	22.85 18.36 17.27 15.53	183.36	346.95
40	25.53 19.82 18.78 16.95	199.69	358.90
45	28.24 21.69 18.51 16.60	196.31	371.33
50	30.50 20.42 19.18 17.19	203.35	384.65
55	32.79 21.17 19.88 17.79	210.69	398.43
60	36.63 21.97 20.62 18.44	218.47	413.11
65	37.52 22.82 21.40 19.13	226.70	428.63
70	40.46 23.71 22.22 19.85	235.38	445.00
75	42.96 24.66 23.09 20.63	244.60	462.39
80	45.52 25.67 24.02 21.45	254.36	480.84
85	48.12 26.77 25.01 22.32	264.78	500.22
90	50.81 27.92 26.06 23.24	275.91	521.54
95	52.37 29.16 27.14 24.21	287.78	543.39

Modified Life		Total	
Age	Ann. Prem. 2 Yr. 10 Yr. 20 Yr. Years	10 Years	20 Years
25	11.07 7.67 7.75 16.46	131.46	302.08
30	12.63 9.17 20.62 19.10	153.54	351.64
35	13.79 10.29 22.76 21.09	170.00	388.65
40	14.22 10.70 23.56 21.83	176.09	402.36
45	14.67 11.13 24.39 22.60	182.47	416.71
50	15.15 11.59 25.28 23.43	189.28	432.08
55	15.66 12.08 26.22 24.32	196.52	448.41
60	16.20 12.60 27.22 25.26	204.18	465.72
65	16.78 13.16 28.30 26.27	212.43	484.39
70	17.39 13.75 29.43 27.34	221.09	504.00
75	18.04 14.37 30.63 28.48	230.33	524.94
80	18.73 15.04 31.92 29.70	240.16	547.21
85	21.11 17.33 36.35 33.94	274.06	624.31
90	26.31 22.33 46.09 43.31	348.34	793.84
95	33.73 29.48 60.08 56.87	454.72	1,037.53
100	44.50 39.86 80.46 76.70	609.54	1,393.10

Great-West Issuing Four New Family Income Riders

The Great-West Life has added four new family income riders with periods to ages 60 and 65, in addition to the usual 10, 15, and 20 year family income riders. Two of these provide that no matter when insured may die prior to policy anniversary nearest his attained age 60 (or 65), a monthly income of \$10 per thousand will be paid, continuing from death to policy anniversary nearest the date he would have attained age 60 (or 65).

The other two riders have been designed to fill income needs of the average family man at minimum outlay. They provide that if the insured should die before policy anniversary nearest the date when he would have attained age 40 (or 45) his beneficiary will be paid \$10 monthly income per thousand for 20 years after the policy becomes a claim. If insured should die after age

40 (or 45), and before policy anniversary nearest the date when he would have attained age 60 (or 65), the monthly benefit would be paid from death until the policy anniversary nearest his attainment of such age.

Additional Premiums Given

The policy amount will be payable to beneficiary, either in one sum or under settlement options immediately upon cessation of monthly income payments. Additional premiums for these riders are payable up to and including policy anniversary at age 55, in the case of the "to age 60" riders, and up to and including policy anniversary nearest age 60 under the "to age 65" riders. The riders may be attached to a large range of regular policy plans, under which at least as many premiums are payable as are called for under the rider benefit chosen. Additional premiums per thousand, applicable to these new riders, shown at quinquennial ages are:

20 Yr. Family Prot. Rider		Family Prot. Rider	
Age	to Age 60	to Age 65	to Age 65
25	7.98	9.04	9.25
30	8.30	9.76	9.05
35	8.68	10.68	8.96
40	8.85	11.77	8.85

London Life Raises Dividend

The London Life, London, Ont., has increased its scale of dividends on ordinary participating policies 21 or more years in force under which premiums are still payable. The 1936 scale will be continued on all other participating contracts. Interest rates on dividend accumulations and amounts on deposit with the company were left unchanged.

Zimmerman Agency Goes Over

NEWARK, Jan. 7.—The C. J. Zimmerman agency of the Connecticut Mutual Life went over the top in 1936 with total paid business of \$5,650,000 as against \$5,000,000 in 1935. In December the agency paid for \$1,500,000, the largest amount since it was established.

The agency will hold an all-day session Jan. 8 at which time George F. B. Smith, assistant superintendent of agencies, and Thomas K. Dodd, supervisor of applications at the home office, will be speakers. Plans will be made for 1937. The goal of the agency has been set for \$6,250,000.

Ohio State Managers Meet

An increase from \$84,000,000 to \$88,000,000 of insurance in force in the past year was announced by President Claris Adams of the Ohio State Life at the opening session of the Agency Managers Association meeting in Columbus. Assets in the past year increased approximately \$1,250,000. While the amount of insurance written last year was about the same as in the previous year, the gain of insurance in force for the year was about twice that for the previous year, showing the effect of improved economic conditions.

Frank L. Barnes, agency vice-president, presided at the first session and W. V. Woollen, field superintendent, was in charge of Tuesday afternoon and Wednesday morning. A banquet was given Tuesday evening, with Mr. Barnes as toastmaster.

Heads Savannah Office

Perry Mullinax succeeds J. M. Thompson as agency director of the New York Life at Savannah, Ga. Mr. Thompson retired after many years' service. Mr. Mullinax has been with the Atlanta office for several years and formerly had charge of offices in Montreal and in Quebec.

Heath South Alabama Manager

John C. Heath has been appointed manager in south Alabama for the Life of Virginia, with headquarters in Montgomery.

Connecticut Mutual Holds Meet in Florida Jan. 11-14

General agents and home office people of the Connecticut Mutual Life will meet at Hollywood, Fla., Jan. 11-14 for the annual general agents conference. A program devoted to agency building, training of agents, conservation, and selling ideas has been prepared.

The first day's session will be under the chairmanship of John M. Fraser, New York City. Following a word of welcome by Vice-president H. M. Holderness, talks will be heard by President James Lee Loomis, vice-president P. M. Fraser and Secretary H. H. Steiner.

The second day's session will be under the chairmanship of C. J. Zimmerman, Newark, N. J., and will include discussion of such subjects as taxation and life insurance, income insurance and underwriting. Those who will take part in the program for this day will be: Assistant Superintendents of Agencies F. O. Lyter and R. W. Simpkin; Agency Assistant C. R. Walker; L. E. Thompson, attorney; S. L. Morton, general agent at St. Louis; Vice-president H. F. Larkin; Secretary H. N. Chandler and Dr. H. B. Rollins, associate medical director.

An open forum and group seminars will feature the third day of the conference. E. F. White, Dallas, will be chairman and Secretaries H. N. Chandler, H. H. Steiner and L. R. Martin and L. E. Thompson, attorney, will take part in the forum.

The last day's session will be devoted to sales ideas and will be under the chairmanship of John H. Thompson of Hartford and S. K. Coffman of Columbus. Those to be heard on the last day will be R. C. Berger, editor of publications; E. F. White, general agent, Dallas; R. N. Vaddell, general agent, Pittsburgh; W. N. Watson, general agent, Boston; P. C. Sanborn, general agent, Boston; C. J. Zimmerman, general agent, Newark; V. B. Coffin, superintendent of agencies, and P. M. Fraser, vice-president.

Carolina Life Meeting Held

Managers and superintendents of the Carolina Life held their annual meeting at the home office, Columbia, S. C. Representatives from Florida, Georgia and South Carolina attended and they said the company had the best year in its history in 1936.

Produce for Paul Johnson

CINCINNATI, Jan. 7.—"January for Johnson" is the slogan adopted for the month by agents of the Fidelity Mutual Life's Cincinnati agency in honor of Manager Paul Johnson. The Cincinnati agency won the company's "Leader Club" award in 1936, which is presented in recognition of the greatest progress made by any agency of the Fidelity Mutual in the club year.

All States Life's Progress

A dividend of 6 per cent has been paid to stockholders of the All States Life of Montgomery, Ala. Ben W. Lacy, president, also reported a substantial increase in business in 1936.

The company's agency organization has been extended in Ohio, Kentucky, Tennessee, Alabama, Georgia and Florida. In Ohio it is planted in Cincinnati, Dayton, Cleveland, Toledo, Canton, Mansfield, Ashland and Columbus.

Manufacturers' Life Changes

TORONTO, Jan. 7.—Announcement is made of the retirement of Lewis A. Winter, who has been treasurer of the Manufacturers Life since 1916. He joined the company's Montreal office in 1892, came to the head office in 1899, and was secretary from 1904 to 1916. He is succeeded as treasurer by Sanford M. Thompson, who joined the actuarial department in 1923, and who has been assistant treasurer since 1934.

Equitable, New York, Central Division Pays for \$180,780,000

The central department of the Equitable Life of New York paid for \$180,780,012 in 1936, winding up in December with a \$20,917,580 month. Of this total \$57,759,650 was the paid figure for the 10 Chicago agencies for the year and \$7,810,417 for December. The agencies outside Chicago, scattered through the central west, which are directed by W. M. Rothaermel, superintendent of agencies, Chicago, therefore paid for \$123,020,362.

The R. M. Ryan agency, Detroit, led for the year in the department with \$16,025,866, paid total in December being \$1,702,180. Second was the Sam Lustgarten agency, Chicago, \$14,518,659 for the year and \$2,293,125 for December. Other production figures of leading agencies in the department, are:

A. M. Embry, Kansas City, \$13,651,655 for the year, and \$997,299 for December; W. V. Woody, Chicago, \$12,549,839, and \$1,450,466; E. L. Carson, Milwaukee, \$9,854,722, and \$1,304,719; M. C. Nelson Des Moines, \$11,085,811 and \$880,687; H. L. Rogers, Indianapolis, \$10,200,500 and \$1,021,308; A. B. Shea, Minneapolis, \$9,756,784 and \$1,013,378; Walter Gottschall, Chicago, \$7,524,216 and \$1,134,769; S. B. Kruger St. Paul, \$8,012,332 and \$798,615; Homer Jamison, Oklahoma City, \$7,828,012 and \$715,174; H. A. Chipman, Columbus, O., \$7,094,926 and \$960,124; M. A. Nelson, St. Louis, \$6,897,158 and \$961,825; C. R. Golly, Peoria, Ill., \$6,050,189 and \$740,085; P. B. Hobbs, Chicago, \$5,375,175 and \$897,051.

Hann Company Conference

The Otis Hann Company of Chicago held a Christmas convention under the leadership of President J. Roberts Hann, who gave the welcome and introduced the speakers. The speakers on the first day were F. H. Lanbeck, President Regenstein, Kentucky Home Mutual Life; John McPherrin, sales promotion manager Bauer & Black. One of the big features was a talking film entitled "Making a Sales Presentation Stay Presented." There was a discussion of the picture and other subjects. A dinner was given in the evening.

On the second day the guest speakers were President Lee Parker of the American Service Bureau and John Hornberger, actuary Great Northern Life. Others from the Hann organization who spoke were M. Lanbeck, M. C. Jones, L. Larson, Harry Rice and Margaret Craig. Mr. Hann closed the session looking forward 25 years.

Loder Agency Celebrates

The Loder Agency of the Provident Mutual at Philadelphia held a New Year's party in the offices, Fidelity-Philadelphia Building, Philadelphia, on New Year's Eve with a buffet supper and entertainment. Paul Loder, general agent, made a number of awards for outstanding performance. Henry Sonneborn, Jr., was awarded prize for highest production in 1936; W. L. Mason the prize for most business written. Awards were also made to H. J. Tiedeck as captain of the winning team in the December contest, and to D. R. E. Baker, W. D. Cross, Jr., E. H. Jones and R. S. Schoonmaker, Jr., for individual leadership in December production. Officers of the agency association were installed. J. R. Ogden is retiring president and D. W. Atkinson, incoming president. C. E. Lewars is vice-president, A. L. Giles, Jr., secretary, and R. W. Kelsey, treasurer.

De Forrest Bowman, Chicago general agent Bankers Life of Des Moines, is in Florida recuperating from illness. He and his son, Marquis Bowman, associate general agent, went there to attend the company's agency convention and stopped over for a short vacation. Marquis Bowman was expected to return this week and will direct the agency's operations until his father returns.

LEGAL RESERVE FRATERNALS

Carpenter Debates Tax Move

California Commissioner Reported Considering Proposal of Fraternal Exemption Law

Commissioner Carpenter of California was reported this week to be on the point of conferring with representatives of fraternal societies operating in his state regarding a demand made by the state department of finance to agree to payment of a premium tax hereafter or to face legal action to secure back taxes and fees retroactively for many years as has been attempted in a number of states, in some cases successfully.

The demand is said to have been made about two weeks ago. It was reported that Mr. Carpenter was to confer Tuesday afternoon in the department's head office with a number of society representatives on this matter. Advices from San Francisco, however, were that no meeting was held.

May Confer This Week

Ben Jones, California manager of the Ben Hur Life and Mr. Carpenter were reported authoritatively to be considering a conference this week to discuss the tax decision as a result of a request from the state finance department. Mr. Carpenter, it was reported, is to discuss with the fraternalists possible legislation exempting them from the tax, the move to this end, coming from the fraternalists and not from Mr. Carpenter.

Fraternal society leaders throughout the country are preparing for an anticipated large number of proposed legislative measures to tax fraternalists when the 45 state legislatures convene early this year. The movement gained considerable momentum last year, starting in Oklahoma and Arkansas through the operations of a firm of attorneys who were able to secure a contract with the states entitling them to a large contingent fee on whatever they collected through tax suits against fraternalists. A number of large judgments were rendered, in most instances the fraternalists losing the decisions. However, they are very hopeful that most of these cases will be reversed on appeal.

Tax Drive Causes Concern

Since the emergency over inadequate rates arose some years ago and was met through adoption by most societies of adequate rates, the tax situation has dwarfed all other problems to insignificance. The fraternalists are not organized so that they can pay unexpected costs of operation such as the imposing of a tax not contemplated in the original rate, constitution and by-law setup. To pay such a tax fraternalists would have to levy special assessments against members in the states involved, which would create rate discriminations and probably much discontent.

Another problem which, while it is in the background, is ever present and greatly worries the fraternal officials, is the low interest yield on investments, in view of the 4 percent N. F. C. basis on which most of their rates are predicated. For commercial companies it has come generally to be a problem to earn

a net 3½ percent. The fraternalists, most of which now are conservatively and efficiently managed, are hard put to earn the 4 percent guaranty through investment practices that are conservative.

Many commercial life companies met this problem by reducing their interest assumption, there being certain definite advantages in doing so, but the fraternalists as yet have not seen fit to do so. In any event, such action would have comparatively little effect for a considerable time because it probably could be made to apply only to new certificates sold. It might be possible to work out some basis of changing all certificates in force to a lower interest basis, but this would be very involved, difficult for certificate holders to understand, and probably would require universal rewriting of existing certificates, a step that the fraternalists would be loath to take so soon after they were forced to rewrite from the old inadequate step-rate plan to level premium legal reserve form.

Protection Order's New Plan

New England Fraternal on 3% Basis; to Develop Regular Field Force, Issues New Policy

The New England Order of Protection has adopted the 3 percent reserve basis for new business, has decided to develop a regular agency force, and has come out with a new policy. Heretofore it has been on the 4 percent basis. Harry Manser, chairman committee on laws, asserts that the present reserve and surplus, with the future contributions on the established existing rates will be ample for the present membership, even at lower interest rates.

A paid field force is to be employed instead of depending, as in the past, on the members to bring about increase in membership. The agents will be under the instruction of experienced supervisors.

The new rates will include allowance to enable the order to pay in large part for the production of new business.

A new contract has been made available, known as retirement income certificate at age 65.

Manser Explains Dues

Uniform lodge dues in the future are being included in the insurance rate itself. In the past, Mr. Manser states, some members have not understood that lodge dues must be paid in addition to the monthly contribution. The addition of dues applies only to the first \$500 or \$1,000 certificates.

Mr. Manser states that the order will pay a definite compensation for the co-operation of members with the field agents.

The new contracts are all based on the fraternal American mortality table with 3 percent interest assumption Illinois standard.

Arthur E. Savage of Somerville, Mass., has been engaged to supervise field work in Massachusetts and Henry Von Stremel of Lewiston, Me., will supervise the work in his state.

In addition to retirement income at age 65, the order will sell whole life

with payments throughout the life, 20-payment life and 20-year endowment.

At age 35, the premium for the whole life contract in the amount of \$1,000, with lodge dues included, is \$28.13. For each additional \$1,000 at that age the rate is \$25.47.

For 20-payment life, lodge dues included, the rate is \$38.54; for each additional \$1,000, it is \$35.87.

For 20-year endowment, lodge dues included, the rate is \$52.20; for each additional \$1,000, it is \$49.53.

For retirement income at 65, lodge dues included, the rate is \$44.03; for each additional \$1,000, it is \$41.37.

Under the new retirement income policy, when age 65 is reached, there is provided for a \$10 per month payment for 120 months certain, or the member may elect to receive a cash payment of \$1,415 or a paid up whole life policy for \$1,947, or a member may elect to have any payment deferred to age 70 without further premium payment. Upon reaching that age there is provided for

a payment of \$14.20 per month for 120 months certain or the member may elect to take the cash payment of \$1,656 or a paid up whole life policy for \$2,218.

Two Nebraska Fraternal Merged; Deal Is Approved

LINCOLN, NEB., Jan. 7.—Approval of a merger of two Bohemian Catholic fraternal societies has been approved by Director Smrha. The Katolicky Delnik (Catholic Workmen) which has headquarters at New Prague, Minn., but conducts most of its affairs from Omaha, has taken over the Katolicka Jednota Deer (Catholic Union Daughters) of Columbus, Neb. Both have been operating in the same field, and merger was recently voted by conventions of both societies to get rid of duplication of effort and expense.

V. F. Jelinek is president of the consolidated society and J. A. Drozd, secre-

ROYAL NEIGHBORS OF AMERICA

● One of the largest fraternal benefit societies.
Membership
598,014.

● Operates home for aged dependent members.
Admitted Assets
\$56,686,146.

● Maintains fraternal fund to assist needy members.
Total claims paid
\$87,937,415.

● Writes modern forms of life insurance for women, men and children.
Insurance in force
\$467,330,469.

● Provides free health service.

SUPREME OFFICE
ROCK ISLAND, ILL.

FORTY-ONE YEARS OF SERVICE

Royal Neighbors of America was chartered as a fraternal benefit society in the state of Illinois on March 21, 1895. Since that time the society has faithfully provided a dual service of insurance and true fraternalism for members numbering in the hundreds of thousands.

The history of Royal Neighbors of America reveals that its fundamental principle of twofold service has been an outstanding success. This success is reflected in the steady growth of the society and in statistics which place Royal Neighbors of America among the leaders in its field.

Forty Years of Praiseworthy Service

1897

1937

Genuine Service and Our Modern Policies
Go Hand in Hand

January, 1937, We Issued Three New Junior Policies:—Ordinary Life, Endowment at Age 65 and Educational Endowment at Age 18.

We Have A Complete Line of Adult Policies—American Experience Table of Mortality—3% Interest Basis.

Maybe You Will Fit Into Our Organization As A Field Representative.

Write to

Equitable Reserve Association

NORTON J. WILLIAMS, Vice President

Neenah, Wisconsin

PROTECTED HOME CIRCLE

SHARON, PA.

FOUNDED IN 1886

A Legal Reserve Fraternal Insurance Society

S. H. HADLEY, Supreme President

L. D. LININGER, Supreme Secretary

SHARON, PA.

tary. The Workmen's last report showed 8,467 members, \$7,500,000 insurance in force and admitted assets \$1,800,000. The small organization had 652 members, all women, carrying \$325,000 insurance and assets were \$87,000. Barbara Sloup was president and Katerina Matcha, secretary.

Finds New Jersey Law Weak

NEWARK, Jan. 7.—Commissioner Withers of New Jersey in his annual report holds that the fraternal law of New Jersey is largely inadequate and does not protect the public against societies that are not financially sound. It is advisable that legislation be introduced to modernize the act of 1893 to keep New Jersey abreast of similar legislation in other states, he says.

With regard to mutual benefit associations, the annual statement points out, constitutionality of chapter 187, laws of 1936, providing stricter regulation, is tested in the courts. If the law is upheld the commissioner promises vigorous department action in enforcement of all provisions.

Record in Two-month Drive

President De E. Bradshaw of the Woodmen of the World, Omaha, announces that the October and November drive for new business resulted in 29,151 applications for about \$29,000,000 new business. Texas led with over \$5,000,000. Most of the new business came from southern states.

Legislative Body Is Named by A. L. C. for the New Year

(CONTINUED FROM PAGE 1)

Iam Brosmith, vice-president, Travelers; District of Columbia, William Montgomery, president Acacia Mutual; Florida, Sumter L. Lowry, chairman Gulf Life; Illinois, Henry Abels, vice-president Franklin Life; Indiana, R. E. Sweeney, president State Life; Iowa, A. H. Hoffman, president Yeomen Mutual; Kansas, F. B. Jacobshagen, secretary Farmers & Bankers Life.

Also: Kentucky, I. Smith Homans, vice-president Commonwealth Life; Louisiana, E. J. McGivney, vice-president, Pan-American; Maryland, J. N. Warfield, president Eureka-Maryland; Massachusetts, F. P. Sears, president Columbian National; Michigan, Wilbur Brucker, vice-president American Life, Detroit; Minnesota, E. A. Roberts, vice-president Minnesota Mutual; Mississippi, W. C. Wells, vice-president Lamar Life; Missouri, Daniel Boone,

president Midland Life; Montana, Carl Rasch, president Montana Life.

Also: Nebraska, C. P. Peterson, general counsel Bankers Life, Lincoln; New Hampshire, John V. Hanna, president United Life & Accident; New Jersey, R. R. Lounsbury, president Bankers National Life; New York, J. A. McLain, vice-president Guardian Life; North Carolina, L. F. Lee, president Occidental Life; North Dakota, F. L. Conklin, secretary Provident Life, Bismarck; Ohio, F. J. Wright, general counsel Midland Mutual; Oklahoma, Joe Morse, president Home State Life; Oregon, W. C. Schuppel, executive vice-president, Oregon Mutual; Pennsylvania, Clifton Maloney, president Philadelphia Life; South Carolina, W. F. Hipp, president Southeastern Life; South Dakota, F. L. Bramble, secretary Midland National Life; Tennessee, A. M. Burton, president Life & Casualty; Texas, C. F. O'Donnell, president Southwestern Life; Utah, G. J. Cannon, executive vice-president Beneficial Life; Virginia, E. Lee Trinkle, president Shenandoah Life; Washington, A. P. Johnson, vice-president Northern Life; West Virginia, E. C. Milair, vice-president George Washington Life; Wisconsin, N. J. Frey, president Wisconsin Life; Ontario, A. N. Mitchell, vice-president Canada Life; Quebec, A. B. Wood, president Sun Life; Manitoba, H. W. Manning, assistant general manager, Great-West Life.

W. C. McCord, secretary and actuary of the Gulf States Life, has been appointed the sixth and last member of the actuarial committee of the American Life Convention for 1937.

INDUSTRIAL

Great Sales Opportunity in 1937, Says Bradford Walker

America has become conscious of the importance of security so the year 1937 affords the insurance man the greatest opportunity to sell both ordinary and industrial policies that he has ever had, said Bradford H. Walker, president of the Life of Virginia, at the annual dinner of field and home office staffs in Richmond.

As guest speaker, Dr. Raymond B. Pinchbeck of the University of Richmond pointed out that life insurance is today regarded as a service and not a nuisance. Life insurance is a profession. The insurance field touches every phase of life. The agent must be an uncom-

monly well informed person to succeed. "Most people are poor bosses of themselves. The good insurance man must first prove to himself the necessity for insurance. He should not be an apologetic salesman but he should feel that he is rendering a service."

Retiring Manager Honored

J. H. Cook, Petersburg, Va., manager of the Metropolitan Life, who retired Jan. 1 after 40 years' service, was honored with a farewell banquet at which J. A. Smithies, home office representative, was the principal speaker. He was presented a medal by the company. J. P. Magruder, manager of the Lee district, Richmond, presented a watch in behalf of the Virginia Managers Association. L. E. Hudgins presented a desk from the Petersburg district.

Honor Manager Cunningham

Employees of the Wichita branch of the Metropolitan Life honored Manager Riley G. Cunningham at a dinner. A survey showed the average service of the staff was seven years while eight employees have averaged 17 years with the company. Mr. Cunningham is president of the Kansas Life Underwriters Association.

MANAGERS ASSOCIATION

Confer on Legislation

Byron G. Rogers, Colorado attorney general, met with the Colorado Life Agency Managers Association in Denver in a round table discussion of legislative matters. One of the most important matters brought up was the mutual benefit situation. The need for an anti-twisting bill was also discussed. It is charged that numerous so-called abstractors and counselors are persuading holders of policies in reliable companies to cash them in to buy insurance elsewhere, taking from 10 to 20 percent commission for getting a service which nearly any good company would render without cost.

Utah Managers' Annual Dinner

The Utah Life Managers Association held its annual reception and dinner in Salt Lake City. Members' wives were special guests. W. A. Carter, Penn Mutual president of the association, presided. Ray Peterson was chairman of arrangements.

Want Distinction in Qualification

Life men in Washington will vigorously oppose any agency qualification law at the January legislative session that makes no distinction between life and casualty agents. This was discussed at some length at the recent meeting of the Seattle Life Managers Association, which has named a legislative committee to confer with the insurance department.

Pacific Mutual President Speaks

DENVER, Jan. 7.—The Life Agency Managers Association gave a breakfast for A. N. Kemp, president of the Pacific Mutual; Walter R. Hoeftin, western agency manager, and other officials. Mr. Kemp discussed "The Institution of Life Insurance" and Mr. Hoeftin spoke on "Selling Plans for 1937."

Leaders' Dinner for Cleveland

The Cleveland Insurance Executives Club will hold a "Leaders' Dinner" early in February. Two leaders of the club in volume of insurance and number of policies will be honored.

Harold Buck, for 17 years one of the leading personal producers of the California-Western States Life in San Francisco, died suddenly from a heart attack. Mr. Buck was a consistent member of the company's \$200,000 Club and was once president of the El Capitan Club.

RECORDS

National Life of Vermont—Made gains in new business for 26 consecutive months over corresponding months in previous year. Paid new business in 1936, \$45,637,000, increase \$7,564,000, 19.8 percent. Total in force Dec. 31, \$519,781,000, gain \$9,757,000, 1.87 percent.

New England Mutual—December was the third largest month in the history of the company in received business. There were 3,333 applications totaling \$20,718,388 against \$17,895,860 for December, 1935, an average of 128 per business day. The average amount per application was \$6,216, the largest since December, 1932, when it was \$6,761.

Continental American Life—Paid business for December was \$2,299,457, an increase of 29 percent, with the Peninsula branch leading all agencies. Total new business for the year was \$19,321,672, an increase of 7 percent. Insurance in force is now \$116,433,002, an increase of 5 percent.

Midland Mutual—Paid for business in 1936 totaled \$12,063,000, compared with \$11,922,224 in 1935, and December business showed a gain of 31 percent over December of 1935. Paid annuities for 1936 were \$1,746,519, contrasted to \$1,420,066 the previous year. Terminations in 1936 were the lowest in the last seven years and application amounts are up, those of December, 1936, averaging \$3,025, compared with \$2,350 in December, 1935. The company will gain over \$3,000,000 business in force, compared with a gain of \$1,788,399 in 1935.

In the last three months of 1936 a contest was staged between Elbert S. Reeves, general agent at Ashland, Ky., and H. D. P. Thomas, general agent at Dover, O., the latter winning by a margin of 10 percent. Each produced over \$100,000 of paid business in the three months.

American United Life, Indianapolis—On first day of business of 60th anniversary agents submitted \$1,480,000 of business, setting an all-time record for production. The company expects 1937 to be the banner year in its history.

W. A. Alexander & Co., Penn Mutual, Chicago—Completed 25 consecutive months in which each month's production was greater than that of the corresponding month the year before. The Alexander agency, of which J. H. Sherman is vice-president in charge of the life department, ranked first in this endeavor among the various Penn Mutual agencies. Paid business averaged \$300,000 per month, the highest being \$525,000 during December, 1936.

Donald Machum, Manufacturers Life, Detroit—Increase of 30 percent in paid volume and an increase of 66 percent in premium income for 1936.

G. A. Sattlem, Mutual Life of New York, St. Paul, Minn.—December, \$1,089,000 was paid for, Mr. Sattlem reported at the annual agency conference in St. Paul.

Dana Reynolds, Equitable Life of New York, Bartlesville, Okla.—Paid for more than 200 cases in 1936, ranking among first 20 leaders in country in third year in business.

W. J. Stoessel, National Life of Vermont, Los Angeles—Production of new paid business in 1936 more than double that for previous year.

V. F. Petrie, Ohio National Life, Los Angeles—Showed increase in new paid business for 1936 of 253 percent as compared with 1935.

E. F. White, Connecticut Mutual Life, Dallas—Forty agents celebrated the production of \$1,000,000 business in December. It was the biggest month in the history of the agency.

Franklin Life Has Conclave

The Franklin Life held a two day sales congress at Springfield, Ill., at which 50 of its agents in that state attended. Plans were outlined for the company's 1937 program. Rollin Young, vice-president in charge of agencies, had charge of the affair.

The Northern Life of London, Ont., has transferred Stanley Cottle from an agency position in Winnipeg to manager of the Montreal agency.

'IT BROUGHT PROSPECTS EVERY MONTH'

—wrote E. P. Sanford, of El Campo, at the close of 1936. "Everyone likes to ride with a winner, and Southland Life's advertising plan for agents helped me to be a winner."

For further information about this plan, write Clarence E. Linz, First Vice-President, or Col. Wm. E. Talbot, Vice-President and Agency Manager.

SOUTHLAND LIFE INSURANCE COMPANY

HARRY L. SEAY, President

HOME OFFICE DALLAS, TEXAS

SALES IDEAS AND SUGGESTIONS

Gear Selling to Changed Public Thought—Cleary

NEW YORK, Jan. 7.—Taking an optimistic view of the future, President M. J. Cleary of the Northwestern Mutual Life counseled agents gathered for the company's eastern regional convention to adjust their sales technique to the fundamental economic changes which have affected the public's outlook and which were in the making even before the 1929 crash.

"We are going to be content with less, but we are going to demand a greater certainty in connection with that less," Mr. Cleary declared. "We are going to demand wider distribution of the world's goods—our goods. No group, political or individual, created that demand. It is an outgrowth of the public's changed attitude."

Significant for Life Insurance

"It is of significance for us, for it directly involves our field of activity. The social security act is only an expression of this trend of thought among the American people, although it does not constitute its full expression, for the maximum obtainable under it is \$85 per month. This is not adequate but it has created a feeling of the importance of providing for the future. It gives us an opportunity not only for ourselves but an obligation to serve the public."

"The thinking of the people and their objectives have undergone a change. We have got to understand that, talk the language of our public if we are going to be effective. Our competition is not with other companies but with automobiles and radios and particularly the gambling instinct which makes men feel that with a few hundred dollars they can get rich by speculating."

Buyers' Resolves Weak

"In 1929 some 20,000,000 people were trying to do it and not many succeeded. We have often heard people say 'I wish I had put more into life insurance.' But they aren't doing it except as your selling ability and your facts help them to do the thing which they know they should do."

Emphasizing that there is no question that the agent's part in building up a life insurance company and maintaining it is more important today than ever before, Mr. Cleary said the agent is a major factor in selecting risks on which the company will issue insurance, and it was never more important to the agent, his clients and his future clients that risks be carefully selected, for mortality is not only an important factor in cost, but in guaranteeing the safety of insurance. The quality of risks on the Northwestern's books is a margin of safety of major proportions, Mr. Cleary said.

Commenting on the Northwestern's recent dividend reduction, Mr. Cleary said that it reflects almost entirely low-

ered interest earnings on the company's assets. Depression suicide losses and capital losses on investments have already been absorbed, he said, and they are not recurring items. Interest rates, however, constitute a recurring item, and can only be controlled in a minor degree.

Mr. Cleary pointed out that this low rate applies not only to new money taken in but that bonds which were callable at anything but a prohibitive call price have been refunded with securities bearing the current low interest rates. He said that the procedure used to be to determine the safety of a proposed investment and then discuss the interest rate obtainable. In recent months, however, he said that it has been a problem to put money in a safe place, even forgetting about interest rates.

Effect of Cheap Money

Predicting that agents would find a good many business men who would not understand why, when business is on the way up, a life insurance company should not be raising its dividends, it is a fact, he said, and not one of minor proportions, that the same situation which enables business to use black ink instead of red tends to hold life insurance dividends down. This is the low cost of money. Funds can now be had at $3\frac{1}{2}$ to $3\frac{3}{4}$ percent which formerly would command 4, 5 and 6 percent.

"Let us not in any spirit of ego but as a fact make it clear that these life insurance companies did not cease to function during those five or six distressed years," the speaker continued. "Let us not forget that the life insurance companies did not fail to pay dividends in the dark days of 1932, 1933 and 1934. Let us remind business men that our company and other companies have not fallen terribly below the level of 1928-9. Just ask them, 'how did your '36 dividends compare with 1928?' About 40 percent, they will probably say. 'Then why kick at life insurance when it is paying 75 to 80 percent of what it paid in 1928?'"

Barred by Moratoria

"Then let us not forget to remind the public that government has said in many cases that we cannot collect on contracts in the interests of our policyholders. We had that, but business generally could collect its bills."

"Every factor in the Northwestern picture is moving in the right direction except interest on invested funds, and that is not peculiar to us. We have put out \$100,000,000 averaging 15 year maturities at $3\frac{1}{2}$ percent. We have put out some \$30,000,000 mortgage money at $4\frac{1}{4}$ to $4\frac{3}{4}$ percent. We have several million dollars less government bonds than we had at the beginning of last year. We have been able to get a sub-

stantial amount of choice municipals and utilities and a sizeable volume of equipment trust certificates. The rates on these certificates are not attractive, but the maturities are."

Mr. Cleary said that of \$17,500,000 accrued as interest on bonds not in default, 99.3 per cent had been collected in cash during 1936 and that of bonds in default at the beginning of last year, the company had collected \$481,000 or 30 percent of the total that accrued during the year. Of \$53,000,000 in utility bonds there was no default in principal or interest and the company's holdings in municipal and railroads made a very favorable showing. Of railroad bonds not subject to amortization Jan. 1, 1936, their \$11,408,000 value as of that date increased during the year to \$15,484,000.

The mortgage situation has greatly improved, he said and 500 farms sold by the company during the year brought a profit of more than 20 percent over the asset value, while the company made a sizable profit on the 8 or 10 pieces of city real estate which it sold.

All Losses Written Off

Every measurable and determinable loss has been taken as promptly as it was measurable and it is the considered opinion of the company's executive that enough losses have been already written off to more than take care of any possible future losses which may come to the surface.

The afternoon session of the second day was given over to an advanced underwriting clinic led by Meyer Goldstein, C. L. U., of the McMillan (New York City) agency.

Paraphrasing the Biblical quotation about good trees bearing good fruit, Dr. D. E. W. Wenstrand, medical director, said that good agents may be expected to bring in good prospects from whom the company may select applicants which will give good mortality. He addressed the Tuesday morning session.

Needless losses occur, he said, because agents sometimes fail to be specific enough in their statements. For example, the statement that an applicant had visited his physician for a periodic check-up by its ambiguity failed to reveal that the man was suffering from a serious blood disease which soon caused his death though nothing had shown up on the medical examination, the latter having occurred during a temporary remission of the disease.

Alcohol Troublesome

Alcohol is a troublesome factor in selection, said Dr. Wenstrand, because no one likes to admit heavy drinking. Also the damage caused by a given amount of alcohol varies with individuals. While improvement in drinking habits may be supported by considerable evidence, the possibility of backsliding makes it necessary to take a pretty dubious attitude toward such reforms, Dr. Wenstrand intimated.

On the other hand, such causes for declination as duodenal ulcers and gall bladder disease may be accepted after definite cure has been established for a

Economic Touchdown for His Client Is Agent's Aim

Life insurance general agents and managers are really "head coaches" and their agents should listen and adapt their "fight talks" in the same manner as football players obey the counsel and instructions of their coaches, R. E. ("Dick") Hanley, million dollar producer of the Equitable Life of New York in Chicago, told members of the J. A. Sullivan agency of the Equitable Life in San Francisco just prior to the big "East-West" game. A former coach at Northwestern, Mr. Hanley was acting as co-coach for the East team.

Have Client for Lifetime

He referred to life agents as coaches, pointing to the distinct advantage they have in having their clients for a lifetime rather than merely two or three years as is the case with the ordinary football coach. In the insurance business the agent has his client as long as he demonstrates his ability to aid that client in carrying "the economic ball to the economic touchdown." Also, he said, it is up to the agent to "run interference for his client to enable him to carry the ball down the field to his economic touchdown." Too many agents, he said, fumble the ball by permitting the prospect to control the interview and too often agents permit the prospect to do the selling; in other words, they permit the prospect to sell his objections to the agent rather than the agent selling his service to the prospect when his needs are obvious. He also places strong emphasis on the necessity for developing a proper reputation. "Be sure," he said, "you have the reputation of selling an idea and rendering a service, not just running around looking for commissions."

certain length of time. Even cases of tuberculosis may be taken 10 years or more after cure has been established.

A file is kept of agents who consistently try to insure applicants about whom fuller and less favorable information later is uncovered and business from such agents is held until statements in the application can be verified and, if pertinent facts have not been revealed, amplified by investigation.

Cowton's Life Insurance Record

George S. Cowton of Grand Island, president of the Nebraska Association of Insurance Agents, is publicized in the house organ of the Equitable Life of New York due to the fact that he has written an application each week for 17 consecutive years. He stated that he has acquired about 2,500 policyholders during the time he has represented the Equitable and has sold more than \$5,000,000 of insurance.

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New Officials Now in Three States

(CONTINUED FROM PAGE 3)

the farm implement business there before becoming county treasurer. On leaving that office he became head of the insurance department of the Citizens State Bank but for the last two years has been an attache of the Indiana department of agriculture with title of director of the packers and stockyards division, continuing as a director of the Hartford City bank.

McClain Has Good Record

Mr. McClain has not announced his plans for the future. Before becoming insurance commissioner four years ago he was a local agent in Shelbyville, Ind., and has indicated a desire to return to that field. Under Mr. McClain's guidance the legislature two years ago passed an insurance code which in many respects is regarded as a model. The insurance department has been very efficiently handled under Commissioner McClain.

He was the first Indiana commissioner to get the department completely departmentalized, each division being headed by a man selected for his knowledge of the duties involved. While the state administration was overwhelmingly Democratic, Mr. McClain selected several who were known to be of different political faith for responsible positions. A high standard of agency qualification has been established under Mr. McClain's regime and his requirements as to life insurance agency qualification have attracted widespread interest. He is scheduled to address a sales congress in New Orleans Jan. 22, where he will explain the agency qualification requirements of the Indiana department.

DAVIS PALMER AID

Governor Horner of Illinois has announced the appointment of Roy L. Davis as assistant insurance director. Mr. Davis is particularly well known to life insurance men in Chicago and Illinois. He served a few years ago as president of the Chicago Life Underwriters Association and has been connected with several life offices in that city in an educational and supervisory capacity.

The position of assistant insurance director was created at the time that the setup of the Illinois insurance department was changed, making it an in-

dependent bureau, instead of a unit in the department of trade and commerce. However, no one has been appointed previously to that position.

Mr. Davis expects to be in Chicago most of the time, in charge of the Chicago office of the Illinois department. He will maintain his residence in Evanston. He will be in Springfield some of the time.

Mr. Davis in the last two years has been connected with the W. W. Durham & Co. agency of Chicago, as secretary-treasurer. He has resigned his connection with that agency and announces he has abandoned active solicitation of business. His wife, a sister of Frank Durham, has taken over Mr. Davis' interest.

Active in Educational Work

Previously he was connected with the Heifetz agency of the Mutual Life of New York in Chicago in a supervisory and educational capacity. Before that he was assistant manager of the Union Central Life agency in Chicago. For some time he was educational director of the Continental Assurance. He has frequently appeared on the platform at insurance affairs and has been an instructor in life insurance at various educational institutions.

Although Mr. Davis is primarily a life insurance man, he has a good working knowledge of other forms and an acquaintanceship with insurance men in other branches. Mr. Davis can be counted upon to be fair in any decision he makes and to understand any situation with which he has to deal.

Mr. Davis was born in Potomac, Ill. He graduated from Illinois-Wesleyan University at Bloomington in 1915 and subsequently secured a master's degree there. He later attended the University of Illinois and received a master's degree from that institution. In 1923 he received his Ph.D. degree at New York University. He was an instructor in the school of commerce there from 1919-21. Since 1930 he has had charge of a course in the psychology of life insurance at Northwestern University. He at one time was an instructor at the University of Pittsburgh, in the Y. M. C. A. school of commerce and in the Rockwell school of life insurance.

During the recent political campaign, Mr. Davis organized a committee to enlist insurance men in support of Gov. Horner because of the record his administration had made in the supervision of insurance through Director Ernest Palmer.

PINK IS REAPPOINTED

NEW YORK, Jan. 7.—Louis H. Pink will continue as superintendent of New York state, having been reappointed for the two year term by Governor Lehman. Mr. Pink has been connected with the department since 1932 when he was appointed general counsel of the bureau of liquidation and rehabilitation, so serving until named to succeed G. S. Van Schaick as superintendent two years ago.

Pink Challenges Theory of Palmer

(CONTINUED FROM PAGE 3)

the least and are the most easily marketed. He said he doubts if the life companies could or would substantially alter their investment policy, even if the changes suggested by Mr. Palmer were made. It is doubtful if the companies would increase the proportion of their assets in mortgages above the 30 or 40 percent which has been customary, he declared. Companies, he declared, would not in the aggregate hold fewer government bonds, or municipal securities or higher grade railroad, public utility and industrial bonds.

Diversification of investments is a principle that should not be altered because of any minor changes of policy.

Mr. Pink pointed out that any company which attempts to sell policies without the customary cash loan and surrender value privileges at the same relative premium charged for the policy of today will sell none. No company can afford radically to alter its investment policy to sell them for less.

If a single company writing both types of policies should get into a weakened condition, he declared, and this fact became generally known, the policyholders that have the right to make loans or draw down their cash values would have an advantage over holders of the restricted policies. Those having cash values could give up their policies and deplete the company's cash and liquid assets and the restricted policyholders would be helpless.

Mr. Pink expressed the belief it is up to the insurance industry to discourage policyholders from using their equities for frivolous purposes. It is largely a matter of education, he declared.

Living Policyholders Benefited

During the depression, he pointed out, insurance funds in greater amount went to living policyholders than to beneficiaries. Money went for rent, food, clothing, to maintain and support life and to stimulate trade and industry. These contributions to prime the pump and keep industry moving are comparable to the efforts made by government itself. "No other trade, business or industry did so much to keep industry moving and people from despair," he declared.

Mr. Pink quoted from Mr. Hardin's speech of 1932: "The confidence given has been abundantly justified, and the beneficent purposes of life insurance have been vindicated in a broader way than contemplated in the earlier days."

Mr. Pink expressed the belief that life insurance cannot go back, that it cannot offer less than it has been offering. "It must continue to perform its great part in the broader field of life and enterprise. It must play as vital a part in the strengthening of the financial structure of the nation and in the alleviation of distress in future panics as it has in the one we have just passed through," he said.

In speaking of the Security Mutual, he stated that there is a worth while place for smaller life companies. They can establish a friendly relationship with the policyholder, he declared, "an intimate contact, relationship of intimate personal service which in the nature of things it is impossible for the large company to fulfill to a like degree. A company such as this cannot compete nationally with the giants among the life companies but it can build up a great business and a tradition of service and accomplishments in upstate New York and nearby territories which will set it off and make it distinctive from all other institutions and will enable it to render a unique and useful service not only to its policyholders but also to the locality in which it has its home."

Recalls Panic of 1873

He recalled that when the Security Mutual was organized, the country was coming out of the panic of 1873. The life companies fared badly in that panic. Half of them failed.

The life companies were far better fortified for the depression of the early 1930's than they were for the panic of 1873, according to Mr. Pink. Not a single life company domiciled in New York or licensed in that state failed and not a dollar was lost to policyholders.

Life companies, he declared, should not get nervous or panicky because of the lack of safe investments with adequate return. The companies should not compete with each other for investments. They should not buy securities that are not safe and sound "merely for the purpose of getting their money out." It is better to have too much idle cash than securities about which there can be the slightest question. If prosperity continues, he predicted, there will be a natural demand for capital. More sound investments will soon be available and

eventually they will pay a higher rate of return.

"Meanwhile," he declared, "let us make what profit we can from careful and conservative underwriting, effect every possible sound economy in the operation of the business, and diminish dividends where it is necessary for safety. At times such as this there is particularly no justification for increasing the salaries of the higher paid officers. There must be economy in management as well as economy in dividends."

Connecticut General Names F. H. Haviland Agency Head

(CONTINUED FROM PAGE 3)

in personal production and subsequently serving as an assistant manager in Chicago under A. E. Patterson he was transferred to Cleveland to assist in starting a new agency for the Equitable Life. He demonstrated his ability there. In six months he secured 14 full time agents, many of whom are still with the agency. He returned to Chicago and became head of one of the agencies there of the Equitable Life of New York and in something over a year doubled its production.

Fifty-seven Men in Agency

In six years Mr. Haviland has built the Connecticut General Chicago agency to 57 full time men. The agency's total new premiums for the first 11 months of 1936 were 10 times as great as for the entire year of 1930. New accident premiums and new group premiums showed even greater relative gains. Total new and renewal premiums for the 11 months were over 2½ times as great as for the entire year 1930.

The volume of life insurance in force in that agency after nearly 30 years' existence has been increased during the six years of Mr. Haviland's management by about 50 percent. Group insurance in force has more than doubled during the six years, as has the accident account.

Since Frazar B. Wilde was made president of the Connecticut General, there has been no vice-president of the Connecticut General in charge of agencies.

Mr. Haviland was in the east this week concluding arrangements for his move to the home office. He will, according to present plans, retain direction of the Chicago branch for several months, commuting between Chicago and Hartford. He will appoint an assistant manager at Chicago to have active charge during his absence.

Supervisor Disappears

DETROIT, Jan. 7.—The aid of police officials has been sought in the search for Leo N. Braun, state supervisor of the Charles A. Macauley ordinary state agency of the John Hancock Mutual Life, who mysteriously disappeared on Dec. 28.

Mr. Braun, who lives in Mt. Clemens, had come to Detroit that morning and conducted a sales conference of agents, disappearing while on his way to the hotel at which he had intended to spend the night.

C. T. Roby, office manager, told police that Mr. Braun had received a threat against his life some eight months previously.

Fowler Agency Has Record Year

The Edgar C. Fowler agency of the New England Mutual announced 1936 as its banner year. This old and large Chicago agency, established in 1848, made a 15 percent new business gain over 1935 which heretofore had been its most successful 12-month period. Business in force gained 51 percent of the volume written in 1936. Premiums collected established a record.

The agency, consisting of 30 men, has about 10 percent of the company's leading producers.

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